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## NOTICE

The undermentioned Gazettes of India Extraordinary were published upto the 3rd September 1955 :—

Issue No.	No. and date	Issued by	Subject
258	S. R. O. 1862, dated the 27th August, 1955.	Ministry of Food and Agriculture.	The Sugar (Control) Order, 1955.
	S. R. O. 1863, dated the 27th August, 1955.	Ditto.	The Sugarcane (Control) Order, 1955.
259	S. R. O. 1864 dated the 20th August, 1955.	Election Commission, India.	Election Petition No. 23 of 1954.
260	S. R. O. 1865, dated the 30th August, 1955.	Ministry of External Affairs.	Proclamation regarding the sovereign rights over the sea-bed and sub-soil of the continental Shelf.
261	S. R. O. 1866, dated the 1st September, 1955.	Ministry of Home Affairs	The All-India Services (Discipline and Appeal) Rules, 1955.
262	S. R. O. 1867, dated the 1st September, 1955.	Ministry of Law	The Central Government declares the Colony of Singapore to be a reciprocating territory.
	S. R. O. 1868, dated the 1st September, 1955.	Ministry of Commerce and Industry.	Fixation of the price of tea for the purpose of Item 5 in the Second Schedule to the Indian Tariff Act, 1934.
263	S. R. O. 1903, dated the 1st September, 1955.	Ditto.	Amendment made in the notification No. S. R. O. 1261, dated the 17th April 1954.
264	S. R. O. 1904, dated the 24th August, 1955.	Election Commission, India.	Election Petition No. 5 of 1953.
265	S. R. O. 1905, dated the 2nd September 1955.	Ministry of Law	Fixation of the hours during which the Poll shall be taken in the Jaipur Parliamentary constituency in the State of Rajasthan.

Copies of the Gazettes Extraordinary mentioned above will be supplied on indent to the Manager of Publications, Civil Lines, Delhi. Indents should be submitted so as to reach the Manager within ten days of the date of issue of these Gazettes.

**PART II—Section 3****Statutory Rules and Orders issued by the Ministries of the Government of India (other than the Ministry of Defence) and Central Authorities (other than the Chief Commissioners).****ELECTION COMMISSION, INDIA***New Delhi, the 31st August 1955*

**S.R.O. 1910.**—It is hereby notified for general information that the disqualifications under clause (c) of section 7 and section 143 of the Representation of the People Act, 1951 (XLIII of 1951), incurred by the person whose name and address are given below, as notified under notification No. MP-P/52(21), dated the 13th May, 1952, have been removed by the Election Commission in exercise of the powers conferred on it by the said clause and section 144 of the said Act. respectively:—

Shri Raghunath Prasad Kaluram, Matapura Ward No. 9, Sohagpur, District Hoshangabad, Madhya Pradesh,

[No. MP-P/52(55).]

By order,

P. S. SUBRAMANIAN, Secy.

**MINISTRY OF LAW***New Delhi, the 6th September 1955.*

**S.R.O. 1911.**—In exercise of the powers conferred by rule 1 of Order XXVII in the First Schedule to the Code of Civil Procedure, 1908 (V of 1908), the Central Government hereby makes the following further amendment in the notification of the Government of India in the Ministry of Law, No. S.R.O. 1651 dated the 1st September, 1953, relating to the appointment of officers to sign, or verify plaints and written statements in suits in any court of civil jurisdiction by or against the Central Government, namely:—

In the Schedule to the said notification, under Part XVIII which relates to the Ministry of Works, Housing and Supply, under the heading "Stationery and Printing", after the entry "Deputy Controller, Stationery, Calcutta", the entry "Manager, Government of India Forms Store, Calcutta" shall be inserted.

[No. F. 25-I/53-L.]

R. S. GAE, Dy. Secy

*New Delhi, the 6th September 1955*

**S.R.O. 1912.**—Shri Din Dayal, a permanent officer of Grade II of the Central Secretariat Service, officiating in Grade I of that service, is appointed to officiate as Under Secretary in the Election Commission with effect from the afternoon of the 12th August, 1955 and until further orders.

[No. F.17(10)/55-Adm.II.]

K. Y. BHANDARKAR, Secy.

**MINISTRY OF HOME AFFAIRS***New Delhi-2, the 31st August 1955*

**S.R.O. 1913.**—In exercise of the powers conferred by Entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government specifies Barakumar Pratap Ganga Deb a member of the family of the Ruler of Bamra State for the purposes of that entry and directs that the exemption shall be valid in respect of one gun and two rifles.

[No. F.8/6/55-Police IV.]

J. N. DHAMIJA, Dy. Secy.

*New Delhi-2, the 5th September 1955*

**S.R.O. 1914.**—In exercise of the powers conferred by clause (1) of article 239 of the Constitution, the President hereby directs that subject to his control, the Lieutenant-Governor of each of the States of Himachal Pradesh and Vindhya Pradesh and the Chief Commissioner of each of the States of Ajmer, Bhopal, Coorg, Delhi, Kutch and Tripura, shall in relation to the State concerned, exercise the powers and discharge the functions of a State Government under the provisions of section 133 of the Code of Civil Procedure, 1908 (V of 1908).

[No. 3(8)/J.II/55.]

M. P. RODRIGUES, Under Secy.

*New Delhi-2, the 1st September 1955*

**S.R.O. 1915.**—The following Order made by the President is published for general information:—

ORDER

In pursuance of Clause (3) of Article 77 of the Constitution of India, the President is pleased to amend the Order made by him under the said provision on the 28th May, 1955, as follows, namely:—

1. In paragraph 2 of the said Order, under the heading "Ministry of Commerce and Industry", add the following:—  
" (iii) The Central Silk Board".
2. To the said Order the following paragraph shall be added, namely:—  
"3. The Central Silk Board is allotted to the Ministry of Production".

(Sd.) RAJENDRA PRASAD,  
*President.*

*The 27th July 1955.*

[No. 3/5/55-Public (I).]

A. V. PAI, Secy.

*New Delhi-2, the 5th September 1955*

**S.R.O. 1916.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify

1. Yuvraj Bhupendra Narayan Singh Deo
2. Kumar Nripendra Narayan Singh Deo
3. Kumar Mahendra Pratap Singh Deo
4. Kumar Ramchandra Singh Deo
5. Lal Harisharan Singh Deo

members of the family of the Ruler of Korea, for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1917.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify

1. Kumar Surendra Singh
2. Kumar Bhanu Pratap Singh

members of the family of the Ruler of Raigarh, for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1918.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government

is pleased to specify

1. Rajkumar Thalendra Kishore Das
2. Kumar Radha Sarveshwar Kishore Das

members of the family of the Ruler of Chhuikhadka for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1919.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify

1. Yuvraj Vishwaraj Singh
2. Rajkumar Yeshwantraaj Singh
3. Kumar Padmaraj Singh

members of the family of the Ruler of Kawardha for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1920.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify

1. Shrimati Rani Padmawati Devi
2. Rajkumar Bikram Bahadur Singh.

members of the family of the Ruler of Khairagarh for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1921.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify

1. Yuvraj Ambikeshwar Sharan Singh Deo
2. Kumar Madneshwar Sharan Singh Deo, I.A.S.,

members of the family of the Ruler of Sarguja for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1922.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify Maharajkumar Vijayachandra Bhanj Deo, a member of the family of the Ruler of Baster, for the purposes of that entry.

[No. 8/1/55-P(IV).]

**S.R.O. 1923.**—In exercise of the powers conferred by entry 3(b) of the Table annexed to Schedule I to the Indian Arms Rules, 1951, the Central Government is pleased to specify

1. Shri Yubraj Devi Shah
2. Kumar Bharat Shah
3. Kumar Nanhe Shah

members of the family of the Ruler of Makrai for the purposes of that entry.

[No. 8/1/55-P(IV).]

J. N. DHAMIJA, Dy. Secy

### MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 1st September 1955

**S.R.O. 1924.**—In exercise of sub-section (2) of Section 4 of the Port Haj Committees Act, 1932 (XX of 1932), the Central Government is pleased to nominate Shri John Lobo, Deputy Commissioner of Police, Bombay as a member of the Port Haj Committee, Bombay, *vide* Shri D. L. Kulkarni, transferred.

[No. F.31(2)-AWT/55(PHC-Sec. 4(2)-2.)]

MOHD. YUNUS, Dy. Secy. (W)

## MINISTRY OF FINANCE

New Delhi, the 31st August 1955

**S.R.O. 1925.**—In exercise of the powers conferred by the proviso to article 309 of the Constitution, the President hereby directs that the following further amendment shall be made in the Civil Service Regulations, namely:—

In the said Regulations for Article 233-B the following shall be substituted, namely:—

"Maternity leave may be combined with leave of any other kind, but any leave applied for in continuation of the former may be granted only if the request be supported by a medical certificate."

[No. F.7(47)-Est.IV/55.]

K. S. GANAPAT, Dy. Secy.

## (Department of Economic Affairs)

New Delhi, the 31st August 1955

**S.R.O. 1926.**—In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not apply to the Indo-Commercial Bank Ltd, till the 31st July, 1956, in so far as they relate to its holdings in the Palar Mills Ltd.

[No. F.4(124)-F.I/55.]

J. L. KUNDU, Dy. Secy.

## (Department of Economic Affairs)

New Delhi, the 5th September 1955

## REPORT OF THE CENTRAL BOARD OF DIRECTORS OF THE RESERVE BANK OF INDIA

For the year July 1, 1954—June 30, 1955

**S.R.O. 1927.**—In accordance with Section 53(2) of the Reserve Bank of India Act, 1934, the Central Board of Directors submits to the Government of India this Annual Report on the working of the Bank and the accounts of the Bank for the twenty-first accounting period beginning on July 1, 1954 and ending on June 30, 1955.

## ECONOMIC DEVELOPMENTS

The maintenance of agricultural production near the all-time record achieved in the previous year and the further substantial growth in industrial output were perhaps the most encouraging features of the Indian economy during 1954-55. They facilitated the sharp increase in the tempo of developmental expenditure in the public sector as well as the progressive relaxation of controls over a wide field. The supply position was, on the whole, comfortable.

**Trends in Production—In Agriculture.**—But for the extensive damage by floods in certain parts of Assam, Bihar and West Bengal and droughts in some States, agricultural output might have bettered the performance in 1953-54 when the production of foodgrains at 66 million tons exceeded the target for the final year of the Plan by nearly 4½ million tons. Rice production has indeed fallen by 3.4 million tons or 12 per cent. from the previous year's figure, but the production of some of the other cereals and pulses is likely to go up, so that the total for foodgrains may not be much lower than in 1953-54. Among the cash crops, although the increase in jute is a nominal one, the output of sugarcane, oilseeds, and cotton is expected to be appreciably above last year's. Hence, total agricultural output may turn out to be at more or less the same level as in 1953-54. It is probable that the greater part of the improvement in agriculture in the past two years was due to good monsoons but a part at least was the result of various schemes to increase the yield as well as the acreage under cultivation, particularly major and minor irrigation works and improved methods of cultivation. To some extent, therefore, the increase in agricultural production may be regarded as permanent. Statistics of employment are extremely inadequate, but it is reasonable to infer that an associated increase in employment in agriculture took place.

**Trends in Production—and in Industry.**—The progress of production in recent years was even more satisfactory in the industrial sphere. There has been an uninterrupted increase in annual industrial production since 1950 and the aggregate rise over the first four years of the Plan was about 40 per cent.; for the first nine months of the year under review, the output was 13 per cent. higher than in the corresponding period of the previous year. Several factors contributed to the further rise in industrial production during the year. Supplies of raw materials were available in larger measure and existing plant capacity was more fully utilised or expanded. In certain important lines, like cotton and jute textiles, the stimulus to output was provided by a better export offtake. In some industries, new production units were set up, and over the whole range of industry, labour-management relations showed a distinct improvement. Among basic industries, steel, cement and non-ferrous metals, and, among other industries, sugar, jute manufactures and cotton textiles showed noticeable gains in production. Steel output went up by 20 per cent. to 1.2 million tons between 1953 and 1954 and that of cement by 16 per cent. to 4.4 million tons. Mill production of cotton cloth at nearly 5,000 million yards exceeded the Plan target by about 300 million yards. Among the newer industries also, the progress was encouraging, although considerable leeway has yet to be made. Despite the improvement in production, the situation regarding employment continued to give room for concern. In large-scale industry, the increase in employment was less than in proportion to the increase in production.

**Food Policy.**—With the sharp improvement in the supplies of foodgrains in 1953-54, food controls were progressively relaxed in pursuance of the policy initiated in mid-1952, so that by the beginning of the year under review there were only a few restrictions left; with the continuing high level of food supplies, even these were virtually eliminated. In July 1954, controls in respect of rice were lifted, and in March 1955 restrictions on the inter-zonal movement of wheat were abolished. Along with the relaxation of controls, the policy of food imports was revised. Imports of wheat under the International Wheat Agreement were not fully availed of and further imports of rice, except under previous commitments, were stopped. At the same time, an emergency food reserve was built up as a cushion against future contingencies, and at the end of the year it amounted to about 17 lakh tons of foodgrains.

**Controls.**—Decontrol of commodities other than foodgrains was also carried a stage further. The free movement of cotton was restored in July 1954 and distribution control over it was suspended in February 1955, so that now, in respect of cotton, only price controls continue to be retained. However, as a standby for emergencies, minimum powers of control over production, distribution and prices of essential commodities were retained in the hands of the Central Government by an Ordinance promulgated in January 1955 for the continuance of the Essential Supplies (Temporary Powers) Act, 1946, which was due to lapse; the Ordinance was later replaced by an Act of Parliament.

**Industrial Policy.**—During the course of a special debate on economic policy in December 1954, the *Lok Sabha* reviewed the industrial policy which the Government of India had been following for the past six years and considered it to be broadly in conformity—allowing for shifts in emphasis from time to time—with the principles and objectives laid down in the Statement on Industrial Policy of April 1948, which accepted a 'mixed economy' as a suitable basis for industrial development and the State regulation of the private sector as a corollary to planned development. That Statement continues to outline the industrial policy to be pursued, but in addition the *Lok Sabha* expressed the view that Government's economic policy should aim at a "socialist pattern of society" and that economic activity in general and industrial development in particular should be stepped up to the maximum possible extent to achieve it. During the year, particularly with a view to augmenting employment opportunities special attention was given to the development of small-scale industries, and an important step in this direction was the establishment of the Small Industries Corporation and the Small-Scale Industries Board and the strengthening of the All-India Khadi and Village Industries Board and the All-India Handicrafts Board.

**Fall in Prices and Measures to Stabilise Prices.**—The pressure of increased supplies, stemming from high output levels, a large volume of imports and the relaxation of controls initiated a downward price movement, which was accentuated by dishoarding and resulted in a sharp fall in wholesale commodity prices during the year. Except for a short-lived rise between July and September 1954, when the index number (base: year ended August 1939—100) went up from 381.6 to 384.4, prices showed an uninterrupted decline to 342 in May 1955 when they

registered the lowest level since April 1948. In June, they again tended to rise. Nevertheless, the fall in prices during the year as a whole (10 per cent.) was larger than the decline (6 per cent.) of the preceding year and it was sharpest in the group consisting of 'food articles' (18 per cent.). The index of 'raw materials' went down by 11 per cent. and that of 'semi-manufactures' by 7 per cent. In contrast, the group consisting of 'manufactures' remained more or less steady, the decline being only 2.0 per cent.

The fall in prices is largely a corrective to the earlier high levels and provides a base for more rapid economic development. In a few commodities, however, the fall was steep and remedial action was indicated, both with a view to affording some relief to agriculturists, and, insofar as the price fall was likely to be temporary, preventing distortion in production.

With a view to stabilising prices at reasonable levels, Government initiated several measures to expand exports and to curtail imports, and introduced limited price support schemes for wheat, certain coarse grains and gram. Export duties were reduced on some commodities like cotton, oils, oilseeds and black pepper, and additional export quotas were granted for several commodities such as cotton, oils and oilseeds. Further, as mentioned earlier, imports of rice and wheat, except under previous commitments, were discontinued. In July 1954, the Union Government announced their decision to purchase wheat in the market if the price should fall below Rs. 10 per maund; purchasing agents were to be appointed by State Governments in about 200 selected *mandals*, and the Union Government also undertook to effect direct purchases in six selected markets. Later, in December 1954, price support was extended to certain coarse grains also and this was in operation in seven States by the end of the year under review.

**Budget Deficits.**—A prominent feature of economic development during 1954-55 was the acceleration of expenditure in the public sector to make up for the slow progress of the earlier years and this was reflected in a widening of budgetary deficits. Central and State Governments are expected, on the basis of revised estimates, to have incurred an overall deficit of about Rs. 235 crores in 1954-55, as against a much smaller deficit of about Rs. 65 crores in the preceding year. Allowing for the actual increase in the floating debt of the Central Government and for certain other adjustments, however, the combined overall deficit of the Central and State Governments is likely to be lower at about Rs. 100 crores. The combined estimated deficit for 1955-56 is placed at a much higher level (Rs. 395 crores) since development outlays in the final year of the Plan have been further stepped up in an effort to reduce the margin between targets and actual performance.

A point of interest emerges from a comparison of the trends in disbursements and current revenues during the past five years. While the combined disbursements of Central and State Governments on both revenue and capital accounts have risen steeply by nearly Rs. 600 crores between 1951-52 and 1955-56 (budget estimates) to a total of well over Rs. 1,600 crores, the combined current revenues during the same period have crept up only by Rs. 25 crores to about Rs. 900 crores. The estimated current revenues for 1954-55 formed about 8 per cent. of the estimated level of national income, a proportion which has not varied significantly since the prewar period.

Both facts indicate the urgent necessity to enlarge budgetary resources. Increases in taxation have been considered in great detail by the Taxation Enquiry Commission, the publication of whose Report was one of the outstanding events of the year under review. The Commission has recommended a widening and a deepening of the tax structure both at the Centre and in the States, specifically for the purpose of financing development outlay and reducing large inequalities of income, modified where necessary to provide incentive tax reliefs so as to stimulate capital formation. For the year 1955-56, as a first step in the direction of implementing the Commission's recommendations, changes in income and commodity taxation, estimated to yield about Rs. 13 crores, were introduced by the Union Government. When the Commission's recommendations are implemented, a substantial increase in the tax resources of the Central and State Governments may be expected.

**Money Supply.**—The enlarged budgetary deficit of the Central Government was the principal factor tending to expand money supply during 1954-55 by Rs. 183 crores (Rs. 137 crores in currency with the public and Rs. 46 crores in deposit money) which was over four times the increase (Rs. 44 crores) in the previous year. The extension of bank credit (Rs. 64 crores) though it played a

subordinate role, was substantial. The influence of the balance of payments position on the expansion in money supply, as reflected in the capital account, was also not insignificant (Rs. 40 crores). The net result of the open market operations (Rs. 40 crores) of the Reserve Bank, however, tended to curtail monetary circulation to some extent. The increase in money supply, though large in absolute terms, has not led to a re-emergence of inflation as it was matched by a higher level of production. The higher level of business activity during the year also affected the seasonal pattern: the contraction in money supply in the slack season of 1954 was considerably smaller (Rs. 84 crores) than in the slack season of the previous year (Rs. 123 crores), while the busy season expansion was much larger (Rs. 232 crores) than in the previous busy season (Rs. 171 crores).

**Bank Credit.**—The banking system was able to meet the strain placed on it during the year from its own resources to a considerable extent, for the Central Government's budgetary deficit was accompanied by a rise in net deposit liabilities of scheduled banks to the tune of Rs. 113 crores—of which demand liabilities accounted for Rs. 53 crores—which would seem to mark a new phase of deposit expansion after the declining trend in deposits of the post-Partition period. For relieving seasonal pressure, the banks expanded credit by Rs. 107 crores between mid-October 1954 and early May 1955, not only by utilising the additions to their resources but also by lowering their cash ratio (from 11·7 per cent. in mid-November 1954 to 8·3 per cent. at the end of April 1955) and resorting to accommodation from the Reserve Bank to the extent of Rs. 207 crores (gross) of which Rs. 98 crores were under the Bill Market Scheme (as against Rs. 80 crores in the previous year). The substantial volume of these advances is evidence not only of the increasing readiness of the commercial banks to approach the Reserve Bank for assistance but also of the continuing utility of the Bill Market Scheme in catering to the seasonal requirements of banks. The larger accommodation sought from the Reserve Bank during the year is to some extent attributable to the cessation of short-term capital inflow from abroad, and even some capital outflow, particularly from the time (November 1954) a higher Bank rate in the U.K. was expected by the London market. It appears that the facilities offered by the Bill Market Scheme have provided an alternative source of funds for seasonal requirements, which has tended to import greater elasticity as well as to lend wider autonomy to the Indian money market.

Money rates during the year generally conformed to the usual seasonal pattern. The decline in the slack season was gradual, reflecting its mildness. In the busy season the rates hardened more quickly and stayed longer at the higher levels even after the season (as reflected in the trends in note circulation and bank credit) had ended. The auction sale of Central Government Treasury bill, which was discontinued in April 1954 on the announcement of the Central Government loan was resumed in November that year, the rate on these bills rose from 2·48 per cent. in November to 2·57 per cent. in May.

**The Capital Market.**—There were indications during the year of a better flow of savings, and the response to public as well as private issues reflected a distinct improvement in the tone and strength of the capital market. Governmental market borrowings were on a notably larger scale. Total subscriptions to the 3½ per cent. National Plan Loan 1964 which was floated on April 19, 1954, to meet the combined requirements of the Centre and State Governments amounted to Rs. 158 crores. The only State issue during the year was by Saurashtra amounting to Rs. 2·5 crores. Net market borrowings of the Centre and States, that is, after allowing for conversions and repayments, amounted to Rs. 113 crores in 1954-55 as against a net outgo of Rs. 2 crores in 1953-54. Small savings also showed a substantial rise to Rs. 52 crores, which compared very favourably with Rs. 38 crores in the preceding year. Soon after the year ended, the National Plan Bonds (Second Series) 1965 bearing interest at 3½ per cent. were issued on July 1, 1955 at Rs. 98·8 per cent. for a sum of Rs. 100 crores. The response from the market was again good and the loan closed a day earlier on July 4, 1955, the subscriptions having reached a total of nearly Rs. 104 crores. Private issues on the market also showed improvement. During the year, the total of seven issues of not less than Rs. 1 crore each, for which data are available, was Rs. 16 crores.

The gilt-edged market revealed a generally firm sentiment; the Reserve Bank of India index number of Government of India securities (base: 1949-50=100) rose from 90·2 in June 1954 to 90·7 in June 1955. Over the year, average prices of most of the dated loans showed rises ranging upto Rs. 1-10-0 but those of both the non-terminable loans fell. Since March 1955 there has been a sustained demand for most of the dated loans from institutional investors while floating stocks have been scarce.



The equities market ruled firm during the first quarter of the year, turned somewhat easy in the second quarter but was more or less steady thereafter. The uptrend in equities which had commenced in October 1953 continued until September 1954, when prices almost touched the post-Korean peak levels of May 1951; the Reserve Bank of India index number for variable dividend industrial securities went up from 108.9 in June 1954 to 120.9 in September. There was a gradual decline from this peak to 113.7 in the next three months and for the rest of the year the index moved within a narrow range closing at 113.1 in June 1955. The general strength of the market during the year was in a large measure due to good company reports besides the likelihood of larger deficit financing and of greater emphasis on industrialisation, as evidenced by the enlarged budget deficit for 1955-56 and the announcement by Government of a Rs. 10 crore loan to the Tata Iron and Steel Co. Ltd. for financing its expansion programme.

**Balance of Payments.**—The impact on the balance of payments position of the rising momentum of development expenditure and the expansion in industrial output was reflected in the virtual disappearance of the substantial surplus shown on current account during the previous year. On the basis of preliminary figures for the first three quarters, and estimates for the last quarter of the year under review, the current account is expected to be in balance, whereas in the previous year it had shown a surplus of nearly Rs. 59 crores.

For the first three quarters of the year, there was a surplus on current account amounting to Rs. 28 crores, which was the net result of invisible receipts of Rs. 60 crores offset by a trade deficit of Rs. 34 crores. In this period the balance of payments position was considerably assisted by the favourable movement in the terms of trade and a larger volume of exports. It is probable that, in the last quarter, exports have declined, because of the fall in tea prices and the growing competition encountered in foreign markets, for instance, in regard to cotton textiles. Imports, however, have continued at a high level.

Although the surplus on external account declined, there was an improvement in trade. Both exports and imports were higher than in the previous year, especially in terms of volume, but the rise in imports, particularly on Government account, was greater. The main causes of the rise in imports were the further liberalisation of import policy, the improvement in the foreign supply position, the rising tempo of Plan outlays and the buoyancy of industrial production in the country. The increase in exports resulted from the sustained foreign demand for jute goods and tea for the major part of the year as well as from Government's export promotion policy in pursuance of which export duties were either reduced or abolished on a number of items and Export Promotion Councils were set up for cotton textiles, silk and rayon.

In spite of the current account surplus in the first three quarters of the year, the country's foreign exchange reserves, comprising the foreign balances of the Reserve Bank of India, of the authorised dealers and of the Government, declined by Rs. 14 crores from Rs. 841 crores to Rs. 827 crores during this period. This was mainly due to a considerable reduction in foreign liabilities; repurchases of rupees from the International Monetary Fund amounted to Rs. 17 crores while the fall in the deposits of foreign banks and official institutions, private capital remittances and net imports of Indian currency brought about a further reduction of liabilities to the extent of Rs. 26 crores. As against this, there was a reduction of Rs. 9 crores in net assets on amortisation account chiefly because of the part repayment of its debt by Burma. As a result of these and other transactions, there was a net investment on capital account of Rs. 30 crores, as compared to Rs. 65 crores in the corresponding period of 1953-54. Taking into account preliminary estimates for the last quarter of the year under review, net investment on capital account for the year as a whole is expected to be higher, around Rs. 40 crores.

**Survey of Foreign Investments.**—Data relating to India's international investment position were available for the first time in 1950 when the Bank had conducted a census of India's foreign liabilities and assets as on June 30, 1948. A similar survey, but with a restricted coverage, of the country's long-term foreign assets and liabilities as at the end of December 1953, has just been completed. According to it, India's foreign long-term liabilities and assets amounted to Rs. 1,038 crores and Rs. 1,175 crores, respectively. Total foreign business investment in India, in terms of book value, was Rs. 421 crores, of which more than 50 per cent, was direct investment. The bulk of the investment (nearly Rs. 350 crores) was largely from the U.K. Private capital from the U.S.A., predominantly in the direct investment category, totalled Rs. 31 crores. The net inflow of foreign

private capital between 1948 and 1953 was of the order of Rs. 130 crores, of which about 40 per cent. probably represented reinvested profits of branches and undistributed profits of subsidiaries of foreign companies. A detailed report of the survey will be published shortly.

**Retrospect and Prospect.**—On the whole, during 1954-55 the Indian economy acquired greater strength, with an impressive rise in production and considerable progress in expenditure on public projects, facilitated by appropriate fiscal and credit policies. The improvement in the flow of savings and the change in the balance of payments are developments of special significance in the context of the framing of the second Five-Year Plan. Two features of the economic situation which led to some concern during the year were the relatively steep fall in food-grains prices which has been stemmed, and the continued acuteness of unemployment among urban workers. The institutional set-up for providing finance to agriculture and to industry was widened and strengthened in a number of ways as subsequent sections of this report will indicate.

The augury for stepping up the tempo of development in the second Plan period thus appears to be definitely good. There is, nevertheless, a limit to the pace and extent of economic development possible that is set by the real resources available. With unutilised real resources capable of being harnessed to national development, a measure of deficit financing is not only desirable but may be essential for economic stability. Deficit financing, however, provides no easy substitute for sustained and substantial efforts to mobilise resources for development. It is a double-edged weapon which may be employed, within limits, to help development, but may, hinder it, if used to excess. It is desirable, therefore, to set our targets of development on a realistic assessment of available resources while making the fullest efforts to maximise such resources. In such a context, the essential function of the banking system would be to provide the necessary expansion in bank credit to facilitate the growth in productive activity, while preventing, at any stage, a lapse into undue credit expansion and inflation.

It is important, too, that the pattern of investment in successive plans, directed as it must be to achieving the greatest increase in production and employment, is based on a recognition of the long-term character of our economic problems, including its unemployment aspect, associated with the under-development of the economy. Improvement of the quality and enhancement of the effectiveness of labour, our most abundant resource, are the key to the long-term course of the country's economic development.

The large increases in public expenditure on projects which broaden the sub-structure of economic development, with consequent additions to real income widely diffused over the economy, provide the appropriate environment for extension of the operations of the private sector at the same time as they result in a rapid extension of the scope of the public sector.

#### EXTENSION OF BANKING FACILITIES

**Rural Credit.**—The subject of extension of banking facilities to smaller towns and the rural areas has received continuous attention by the Reserve Bank for some years. The Rural Banking Enquiry Committee, which examined the question in 1950, recommended *inter alia*, the provision of better remittance and other facilities to commercial as well as co-operative banks operating in towns and villages and branch expansion by commercial banks generally and the Imperial Bank of India in particular to places devoid of banking facilities. Since promotion of banking development was vitally related to the larger issue of rehabilitating the rural economy, it soon became clear that action on several fronts would be simultaneously required, if rapid progress was to be achieved. The Reserve Bank, therefore, appointed in 1951 a Committee of Direction to conduct an All-India Rural Credit Survey which would provide the basis for comprehensive proposals relating to rural credit and banking development. The publication of the General Report of the Committee of Direction on December 20, 1954 was a significant event for the rural economy in general and in the field of rural credit in particular. The Committee's recommendations envisage a revitalisation of the co-operative agencies for rural credit side by side with provision of storage and warehousing facilities and development of banking facilities in rural areas through a State associated sector of commercial and co-operative banking. The recommendations cover an "integrated scheme of rural credit" based on three fundamental principles, namely, (i) State partnership at different levels, (ii) co-ordination of credit and other economic activities such as marketing and processing and (iii) administration through properly trained personnel responsive to the needs of the rural population.

**Branch Expansion.**—Despite the efforts made since the Report of the Rural Banking Enquiry Committee and the Informal Conference on Rural Credit (1951), the progress of expansion of branches of commercial banks to semi-urban and rural areas has been very slow and the position in this behalf continues to be unsatisfactory. For several reasons, commercial banks have not found it profitable to open branches in smaller towns; individual loans are small and while the collateral offered is not easily marketable, the risk element in agriculture is generally greater. The volume of credit for agricultural production granted by commercial banks has continued to form a negligible proportion (3 to 4 per cent.) of the total credit extended by them. This general situation underlined the need for an institution which, while conducting its business on sound lines of commercial banking, would be able to have in mind the larger interests of the country along with its obligations to its shareholders. The Committee of Direction of the Rural Credit Survey, which examined the question in great detail, recommended the setting up of a State Bank of India as one strong integrated State-partnered commercial banking institution with an effective machinery of branches spread over the whole country for stimulating banking development by providing vastly extended remittance facilities for co-operative and other banks and by following a policy which would be in effective consonance with the national policies.

**State Bank of India.**—As a first step in implementing this recommendation, the Finance Minister announced, simultaneously with the publication of the Report, Government's intention to set up the State Bank of India by transferring to it the undertaking of the Imperial Bank of India. This was followed up by the introduction of the necessary legislation in Parliament and on May 8, 1955 the State Bank of India Bill received the President's assent. On July 1, the State Bank of India came into being and took over only the offices in India of the Imperial Bank of India, since the State Bank of India (Amendment) Ordinance was passed to allow the Imperial Bank of India to continue as a legal entity until arrangements could be effected for its foreign branches to be taken over by the State Bank of India according to the law in the respective countries.

The State Bank of India will continue to undertake commercial banking functions on the usual business principles, as the Imperial Bank of India did, providing credit to industry, trade and commerce. In addition, it is expected to assist banking development on more vigorous lines. One of the immediate objectives of the Bank is to establish not less than 400 additional branches within five years or such extended period as the Central Government may specify, particularly at district headquarters and sub-divisional centres. It will also provide considerably larger remittance and other facilities to co-operative and other banks and attempt to mobilise rural savings. Later, when its organisation has been expanded and warehousing and marketing facilities have been developed, the State Bank of India will be a powerful agency to expand the supply of rural credit. The Reserve Bank will continue, at the same time, to assist directly in enlarging the supply of credit for agriculture through the apex co-operative banks, as at present. The State Bank will function as the agent of the Reserve Bank, as the Imperial Bank did, in all places in India where there is no branch of the Banking Department of the Reserve Bank and where there is a branch of the State Bank, and is empowered to transact any business and perform any function entrusted to it as the agent of the Reserve Bank.

The State Bank of India has an authorised share capital of Rs. 20 crores and an issued share capital of Rs. 5:625 crores, which has been allotted to the Reserve Bank in lieu of the shares of the Imperial Bank transferred to it. The erstwhile shareholders of the Imperial Bank of India will receive compensation at the rate of Rs. 1,765-10-0 for every fully paid-up share and Rs. 431-12-4 for every partly paid-up share. The compensation will be paid in Central Government securities and, at the option of the shareholders in the form of State Bank of India shares up to a maximum of 200 shares. This limit is intended, as much as possible, to make for a diffusion of the ownership of shares allotted to the public in the State Bank of India. The new shares of the State Bank are being issued at Rs. 350 for every fully paid share of Rs. 100. For shareholders whose names stood registered in the books of the Imperial Bank of India throughout the period from December 19, 1954 to June 30, 1955, compensation up to Rs. 10,000 will be paid in cash, if they apply for it before October 1, 1955. The State Bank may, with the Government's sanction, acquire the business of other banks including certain State-associated banks and pay compensation in cash or shares of the State Bank. However, even if the issued capital of the State Bank is increased for this purpose, the Reserve Bank will always hold a minimum 55 per cent of the issued capital of the State Bank.

The management of the Bank vests in a Central Board, of which six directors will be elected by the shareholders, other than the Reserve Bank, whose names are entered in the various branch registers. The Central Government, in consultation with the Reserve Bank, will appoint the Chairman and the Vice-Chairman and nominate eight other directors to represent regional and economic interests, not less than two of whom shall have special knowledge of the working of co-operative institutions and of the rural economy and the others have experience in commerce, industry, banking or finance. The Central Government and the Reserve Bank will nominate a Director each and the Central Board of the State Bank with the approval of the Central Government will appoint not more than two Managing Directors.

The State Bank is required to maintain a special Integration and Development Fund to be created out of (i) dividends payable to the Reserve Bank on such shares of the State Bank held by it as do not exceed 55 per cent of the total issued capital; and (ii) such contributions as the Reserve Bank or the Central Government may make from time to time. The amount in the Fund will be applied exclusively for meeting (a) losses in excess of such yearly sum as may be agreed upon between the Reserve Bank and the State Bank and attributable to the additional branches established by the Bank in pursuance of the provisions of the Act; and (b) such other losses or expenditure as may be approved by the Central Government in consultation with the Reserve Bank.

**National Agricultural Credit Funds.**—One of the important recommendations of the Report of the All-India Rural Credit Survey for the orderly financing of the reorganisation proposed by it was the creation of five national funds, three in connection with agricultural credit and two for the development of co-operation and warehousing. Two of these funds, namely, the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund, are to be set up by the Reserve Bank in terms of the provisions embodied in the Reserve Bank of India (Amendment) Act, 1955. The Long-term Operations Fund will be used (i) for long-term loans and advances to State Governments for a maximum period of 20 years to enable them to subscribe directly or indirectly to the share capital of co-operative credit institutions, (ii) for medium-term loans (between 15 months and 5 years) to State co-operative banks for agricultural purposes, (iii) for long-term loans and advances to central land mortgage banks upto a maximum period of 20 years and (iv) for the purchase of debentures of central land mortgage banks. The Reserve Bank will credit to the Fund an initial sum of Rs. 10 crores and such further sums as it may contribute every year. The annual contribution during the five years commencing with the year ending June 30, 1956 shall not be less than Rs. 5 crores. The Stabilisation Fund will be applied exclusively to medium-term loans and advances to State co-operative banks to enable them to convert their short-term credit into medium-term credit whenever it is necessary as a result of drought, famine or other natural calamities. This Fund will be credited with such sums as the Bank may contribute every year provided that the contribution during each of the five years commencing with the year ending June 30, 1956 shall not be less than Rs. 1 crore. In the case of both the Funds the Central Government may, if necessary, authorise the Bank to increase or reduce its contribution in any year.

**The Bill Market Scheme.**—Since its introduction in January 1952 the Bill Market Scheme has undergone several modifications with a view to extending and liberalising the facilities available under it. In July 1954 it was further extended, to an even greater degree than was recommended by the Committee on Finance for the Private Sector, to all licensed scheduled banks, irrespective of the size of their deposits. The minimum limit of advances under the scheme was at the same time reduced from Rs. 25 lakhs to Rs. 10 lakhs and the minimum amount of each individual bill was lowered from Rs. 1 lakh to Rs. 50,000. Banks have availed themselves of the facilities under the Bill Market Scheme in increasing measure; during the year, gross advances against usance bills under Section 17(4)(c) amounted to Rs. 160 crores as against Rs. 127 crores in the previous year. The maximum figure of advances availed of in any single month was reached in May 1955 (Rs. 39 crores). Advances under Section 17(4)(a) against Government securities totalled Rs. 163 crores during the year, showing only a nominal increase over the total for the previous year. Thus, the combined accommodation granted by the Reserve Bank during 1954-55 was Rs. 323 crores, as against Rs. 289 crores in 1953-54. Advances outstanding at the end of the year under Section 17(4)(c) amounted to Rs. 19 crores and those under Section 17(4)(a) to Rs. 0.32 crore. Reference has been made in an earlier section to the greater elasticity and autonomy that has been lent to the Indian money market as a result of the working of the Bill Market Scheme.

**Other facilities to Banks.**—Besides the concessions under the Bill Market Scheme a few others were also introduced during the year. In August 1954, as recommended by the Shroff Committee, the Reserve Bank announced its decision to treat the shares and bonds of the Industrial Finance Corporation of India and of State Financial Corporation on a par with Government securities for the purpose of advances to scheduled banks under Section 17(4)(a) of the Reserve Bank of India Act. Similarly, in February 1955, as recommended in the Report of the All-India Rural Credit Survey, debentures of land mortgage banks guaranteed by State Governments were also declared to be on a par with Government securities for the purpose. Towards the end of the year, in June 1955, it was decided to accord similar treatment to bonds issued under Section 27 of the Air Corporations Act, 1953.

**Banker to State Governments.**—At the commencement of the year under review, the Reserve Bank was functioning as sole banker to the Government of all Part A States and of five Part B States. No further progress was made during the year towards the appointment of the Bank as banker to the Governments of the remaining Part B States, namely, Rajasthan and PEPSU.

**Industrial Finance.**—The institutional set-up for providing industrial finance and for facilitating industrial growth both in the public and private sectors was widened and strengthened in a number of ways during the year. For the development of the private sector of industry, the Industrial Credit and Investment Corporation of India, Ltd., was established with an authorised capital of Rs. 25 crores. The issued capital is Rs. 5 crores, of which Rs. 1½ crores were taken by certain, mainly institutional, investors in the U.K. and the U.S.A. In addition to the substantial loan assistance of Rs. 7.5 crores from the Government of India, the Corporation will have at its disposal funds to the tune of \$10 million from the International Bank for Reconstruction and Development.

For medium and small-scale industries four more State Financial Corporations were established in Uttar Pradesh, Bihar, Rajasthan and Madhya Bharat, raising the number of such Corporations to eleven. The Corporations of the Punjab, Saurashtra, Bombay, Travancore-Cochin, Hyderabad and West Bengal have already started functioning; the other Corporations have not yet granted any loans.

The Central Government also set up the National Small Industries Corporation Ltd., for financing and promoting small-scale industries in India and the National Industrial Development Corporation for establishing and financing medium and large-scale industries insofar as they are incidental to planned development, that is, to fill in the gaps in the industrial structure so as to secure harmonious development in the public and the private sectors.

In pursuance of the recommendations of the Shroff Committee regarding a consortium or syndicate for underwriting or investing in new issues of shares and debentures of industrial concerns, the Reserve Bank appointed a Committee to consider the formation of such a consortium. The Committee's Report was submitted to the Bank in October 1954 and is receiving attention. However, as recommended by the Shroff Committee in relation to the Imperial Bank of India, the State Bank of India has been authorised, subject to such instructions as may be issued by its Central Board, to invest its funds in debentures of companies with limited liability, registered in India or in such other country as the Central Government may approve.

**Reserve Bank and Co-operative Banks.**—The recommendations contained in the Report of the All-India Rural Credit Survey were accorded general approval at a joint meeting of the Standing Advisory Committee on Agricultural Credit and the Central Committee for Co-operative Training in January 1955, and by the Second Indian Co-operative Congress in March 1955. After preliminary talks between the Reserve Bank and State Governments, a conference was called in April 1955, both at the secretarial and ministerial levels, where the Government of India, the Reserve Bank, the Planning Commission and State Governments were represented, at which agreed conclusions were reached in regard to proposals for implementing the recommendations. An important decision related to the formulation of individual State plans for co-operative development as part of the second Five-Year Plan, in consultation with the Government of India and the Reserve Bank.

Further progress was made by the Reserve Bank in its efforts towards re-organising the co-operative credit structure in various States; by the end of 1954-55, there were apex co-operative banks in all the Part A and Part B States and, with the exception of Manipur, Tripura and Kutch, in all Part C States as well.

Inspection of co-operative banks on a voluntary basis has been in operation since 1952-53. In 1954-55, 35 co-operative banks were inspected, as against two in 1952-53 and 14 in 1953-54. The defects observed in the working of the banks, as also suggestions for improvement, were communicated in each case to the Registrar of Co-operative Societies.

**Financial Accommodation to Co-operative Banks.**—During the year under review, there was a perceptible rise in credit limits sanctioned to State co-operative banks for financing seasonal agricultural operations and marketing of crops, at the concessional rate of  $1\frac{1}{2}$  per cent; limit totalling Rs. 21:21 crores were sanctioned to 15 State co-operative banks in 1954-55 as compared to Rs. 16:32 crores sanctioned to 13 State co-operative banks in 1953-54. The increased accommodation availed of by State co-operative banks resulted mainly from the further progress made in the reorganization of the co-operative movement in various States and also from the readiness of State Governments to stand guarantee for the loans granted to State co-operative banks where these banks were not eligible for accommodation on their own strength.

In regard to medium-term loans, the amendment to the Reserve Bank of India Act effected in 1953 permitted loans with a maturity of between 15 months and 5 years. To give effect to this amendment, the Bank has started granting fixed loans for periods of three years under Section 17 (4A) of the Act, though applications for longer periods, that is, upto 5 years, could be considered in cases of necessity; the rate of interest was fixed at 2 per cent below the Bank rate; the guarantee of the respective State Governments and promissory notes executed by the borrowing central co-operative banks or societies were to be the security for the advances. Included among the purposes for which medium-term loans can be granted are the reclamation of land, bunding and other land improvements, purchase of livestock, implements and machinery required for agriculture and the construction of farm houses and cattle sheds. Medium-term loans of Rs. 1:22 crores were sanctioned to four State co-operative banks during the year *viz.*, those in Andhra, Madras, Hyderabad and the Punjab.

Reference was made in last year's Report to a scheme of joint purchase of debentures of land mortgage banks by the Reserve Bank and the Government of India (or the State Government by arrangement with the Government of India) on certain terms and conditions, which were mainly intended to ensure that an increasing proportion of loans were made by the land mortgage banks for productive purposes. During the year under review, the offer to purchase debentures under the scheme was made to four central land mortgage banks, *viz.*, those in Andhra, Madras, Mysore and Travancore-Cochin which had floated debentures. The Madras and Andhra State Governments accepted the terms and conditions laid down under the scheme, but the Reserve Bank was not called upon to make any contribution as the series of debentures were over-subscribed. The Mysore and Travancore-Cochin State Governments did not pursue their request for the Reserve Bank's subscriptions to their debentures.

**Co-operative Marketing.**—An important recommendation of the All-India Rural Credit Survey Report was to link credit with marketing. This implied the establishment of strong marketing societies at all levels—primary, regional and State. In order to strengthen the position of the existing State Marketing Federations, of which there are seven in all, it was considered very desirable that an inspection of some of them should be conducted to find out the lines on which marketing societies at lower levels should be developed. A beginning in this direction was made towards the end of the year under review with the inspection of the Uttar Pradesh Co-operative Marketing Federation jointly by the Reserve Bank and the Government of India, Ministry of Food and Agriculture.

**Training Facilities.**—The Bankers' Training College, to which reference was made in last year's Report, was inaugurated in September 1954, to impart training in practical banking to the supervisory staff of commercial banks in the country. To assist it in running the College, the Reserve Bank has constituted an Advisory Council. Four courses of training each of eight weeks' duration have been completed and each course was attended by 24 trainees deputed by commercial banks. The curriculum is so designed as to be of maximum advantage to the branch manager of the average-sized branch of a commercial bank. The endeavour has been to promote a realistic interest in banking as a worthwhile career and to encourage a sound use of confidence backed by knowledge and understanding. The facilities afforded by the College and their beneficial effects on individual trainees have been increasingly appreciated by banks.

Further progress was made during the year in regard to arrangements for the training of co-operative personnel. Facilities at the Poona College for the training of senior personnel were expanded to provide for 40 candidates in each session. As for the training of intermediate personnel, of the five centres proposed in the country, three have already been started in Poona, Madras and Pusa to serve their respective zones, and arrangements for starting the other two are under way. Steps were also taken during the year to facilitate the training of subordinate co-operative personnel, in accordance with a scheme that was finalised by the Central Committee for Co-operative Training in July 1954 which has since been approved by the Government of India. The respective schemes of the State Governments on the lines laid down by the Central Committee are now under consideration. A scheme was also formulated for the training of Block-Level Co-operative Officers of the National Extension Service Blocks under the auspices of the Central Committee for Co-operative Training and has been approved by the Government of India.

#### SUPERVISION AND CONTROL OF BANKING

Besides the various steps taken to extend banking facilities, the Reserve Bank continued its policy of strengthening the banking system through enforcement of the various provisions of the Banking Companies Act, 1949.

**Inspection.**—The policy of systematic inspection of banking companies was decided on in July 1949 and has been an important instrument for raising the standard of working of individual banks. Regular inspections were commenced in March 1950, and upto June 1955, 599 banks in all were inspected and of these 199 (51 scheduled and 148 non-scheduled) were inspected more than once. The first round of inspections of practically all the reporting banks has been completed and greater attention is being given to re-inspection. Of the 177 banks (29 scheduled and 148 non-scheduled) inspected during the year, 59 were inspected for the first time under Section 22 of the Banking Companies Act to ascertain their eligibility for grant of a licence to carry on banking business, while the inspection of 107 banks was undertaken to assess their overall financial position and methods of operation as well as to ascertain their eligibility for grant of a licence to carry on banking business, under Section 35 of the Banking Companies Act.

Whenever objectionable features have been observed in the course of an inspection, periodical progress reports from that bank have been called for. As on June 30, 1955, 107 banks were required to submit monthly reports and 313 banks quarterly reports. If re-inspection shows that the defects observed in the course of previous inspections still persist, the attention of the banks is specially invited to such features for their specific comments. The practice of pointing out defects and calling for progress reports in regard to their rectification has proved to be useful. As stated in the last year's report, if inspection reports revealed that stricter control over the affairs of the banks concerned was called for, the necessary conditions were imposed; there are at present 13 banks (7 scheduled and 6 non-scheduled) on whom such conditions have been imposed. In certain cases, the appointment of banking advisers has been insisted upon to guide the banks.

Scrutiny of periodical returns showed that defaults under Section 24 (regarding the maintenance everyday of the 20 per cent ratio of cash, gold and unencumbered approved securities to total liabilities) and Section 25 (regarding the maintenance in India at the close of every quarter of 75 per cent of total assets) were of a casual nature, except in a few instances. Habitual defaults under section 24 are viewed seriously and powers under Section 46(5) invoked, where necessary.

**Lending Policy.**—There was no occasion for issuing directives to banks in general or to any particular group of banks in respect of their lending policy. However, certain undesirable features which were noticed in the advances portfolio of certain banks in the course of the Bank's inspections were brought to the notice of the banks concerned for being rectified.

**Licensing of Banks.**—The total number of banks that have applied for a licence to carry on banking business in India under the Banking Companies Act, 1949, was 723 (507 scheduled) at the end of the year under review; of these, 507 (88 scheduled and 419 non-scheduled) were, in fact, functioning and the rest have either gone into liquidation or ceased to be banking companies or were reported to be taking steps to convert themselves into non-banking companies. Licences were refused during the year to 7 non-scheduled banks as they did not satisfy the requisite conditions. Two foreign banks applied during the year for a licence to commence banking

business in India; in one case, however, the application was dropped when the bank subsequently transferred its assets and liabilities in India to a scheduled bank. The number of banks to which licences have been given so far is 36.

The slow progress made in the licensing of banks is due principally to the Reserve Bank's anxiety to safeguard the interests of the depositors and at the same time to give as many banks as possible a fair chance to qualify for a licence. The system of inspections and periodical reports has proved useful and reveals progress by banks, although in varying degrees. It should be possible for many of the banks to show further improvement and conform in due course to the standard of eligibility for a licence laid down by the Bank.

**Exemptions.**—With a view to mitigating the difficulties experienced by banks, several exemptions from statutory obligations have been granted either generally to all banks or groups of banks or to individual banks. Some of these are referred to below.

Banks incorporated in Part B States and confining their activities to those States had been granted a general exemption from the provisions of Section 14 (which governs the minimum paid-up capital and reserves of banking companies) of the Banking Companies Act upto the end of March 1955. As the possibility of a majority of them complying with the provisions appeared to be remote it was not considered necessary to extend the period of general exemption. However, in certain cases, both in Part A and Part B States, further extension of six months or one year was recommended on a consideration of the merits of each case.

As prices of Government securities had not recovered to any substantial extent during the year, the exemption granted to all banking companies in 1951 from the provisions of Section 17 of the Banking Companies Act, 1949, insofar as that Section had the effect of preventing appropriation from the reserve fund for the purpose of writing off the amount of losses in investments in Government securities before declaring a dividend out of the net profits, was continued for the calendar years 1954 and 1955.

The exemption granted to all banking companies from certain provisions of Section 24 of the Banking Companies Act in the years 1951 to 1954 was extended for a further period of one year from June 9, 1955. Under this exemption, banks are allowed to exclude from their liabilities their borrowings from the Imperial Bank of India and to treat, as unencumbered the approved securities lodged with other banking companies to the extent they are not utilised for advances or other credit arrangements.

Banking companies incorporated in Travancore-Cochin and confining their activities to that State were permitted upto the end of March 1955 to maintain a smaller proportion (15 per cent) of their demand and time liabilities in eligible assets instead of 20 per cent, as required by Section 24 of the Banking Companies Act, 1949. This exemption was extended for a further period of one year.

**Scheduled and Non-Scheduled Banks.**—During the year only one bank applied for inclusion and was included in the Second Schedule to the Reserve Bank of India Act; the applications of five others are under consideration. No bank was excluded from the Second Schedule, nor was any bank inspected during the year specifically for determining its eligibility to be retained in the Second Schedule. During the year, 19 new offices were opened at places not formerly served by a commercial bank and the total number of offices of scheduled banks in the Indian Union as at the end of the year was 2,817. While eight non-scheduled banks, which were in liquidation or were refused a licence under Section 22 of the Banking Companies Act or which connected themselves into non-banking Companies, were excluded from the approved list for purposes of remittance facilities, one was included. One non-scheduled bank was allowed to open an account during the year with the Reserve Bank of India.

A scheme of amalgamation, which, in the opinion of the Reserve Bank, did not appear to be in the interests of the depositors and failed to comply fully with the requirements of Section 44A of the Banking Companies Act, was dropped by the banks concerned. In three instances, transfers of certain agreed liabilities and assets, which did not require the Reserve Bank's specific sanction in terms of Section 45(1) of the Banking Companies Act, were effected.

**Legislative Amendments Relating to Banks.**—Consequent upon the coming into force of the Banking Companies (Amendment) Act, 1953, the Banking Companies Rules, 1949 were amended in November 1954 by a notification prescribing a form in which the official liquidator of a banking company that has been ordered to



be wound up, should file with the High Court the list of debtors as provided for in Section 45D(2) of the Banking Companies Act.

The Fourth Schedule to the State Bank of India Act amended the Banking Companies Act so as to provide for the State Bank of India to be appointed as the official liquidator of a banking company in case it makes an application to the Court for the purpose. It also made certain provisions of the Banking Companies Act, which were previously applicable to the Imperial Bank of India, now applicable to the State Bank; and has empowered the Central Government to exempt the State Bank from any or all of the provisions of the Banking Companies Act.

In November 1954, together with certain other Acts, the Reserve Bank of India Act and the Banking Companies Act were extended to the erstwhile French Establishments that were merged with India.

#### ACCOUNTS AND OTHER MATTERS

**Annual Accounts.**—During the year under review, the Bank's income amounted to Rs. 25.01 crores, and expenditure, which includes the expenses of administration and provision for sundry liabilities and contingencies, to Rs. 5.01 crores. The net profit available for payment to the Central Government in terms of Section 47 of the Reserve Bank of India Act was higher at Rs. 20.00 crores, as against Rs. 17.50 crores last year and Rs. 12.50 crores in 1952-53.

The Bank's income, which had risen by over Rs. 5 crores in each of the years 1952-53 and 1953-54, showed a further increase of Rs. 3.07 crores during the year under review. The rise resulted mainly from increases under the heads 'Interest' and 'Discount'. The rise under 'Interest' (Rs. 1.91 crores) was due partly to larger earnings on Central Government securities held by the Bank and partly to the conversion of the Bank's holdings of the 1½ per cent. U.K. Serial Funding Stock, 1954, into other securities giving higher yields. The income from 'Discount' showed a rise of Rs. 1.06 crores during the year, mainly as a result of the creation of *ad hoc* Treasury bills for the purpose of replenishing Government's cash balances with the Reserve Bank. There was also a small increase in receipts under 'Exchange' due to larger transfers, during the year, of sterling to the High Commissioner for India in London.

Relatively to the previous year, expenditure rose further by Rs. 57.48 lakhs, mainly under the heads 'Establishment' and 'Security Printing'. The increase under 'Establishment' (Rs. 33.51 lakhs) was due, among other factors, to the revision of staff salaries, payment of salaries to the staff of the Bankers' Training College and appointment of temporary staff at almost all the offices of the Bank to cope with the increase in work. The expenditure under 'Security Printing' increased by Rs. 16.09 lakhs, mainly as a result of larger supplies of Bank Note forms from the India Security Press, Nasik and a small rise in the manufacturing cost of Note forms.

**Auditors.**—The Accounts of the Bank have been audited by Messrs. S. B. Billimoria and Co. of Bombay, Messrs. P. K. Ghosh and Co. of Calcutta and Messrs. Sastri and Shah of Madras, who were appointed by the Government of India as auditors of the Bank by Notification No. F.3(40) F-I/54, dated September 6, 1954 issued in exercise of the powers conferred by Section 50 of the Reserve Bank of India Act.

**Compensation to Shareholders.**—At the end of June 1955, the total number of shares of the Bank tendered for payment of compensation, consequent on the nationalisation of the Bank on January 1, 1949, was 4,86,523 of which 1,718 shares were tendered during the year under review. The total compensation paid upto the end of June 1955 in the form of the 3 per cent. First Development Loan, 1970-75 amounted to Rs. 5.40 crores and in the form of cash to Rs. 35.22 lakhs.

**Composition of the Central Board.**—Shri B. Rama Rau, whose term of office as Governor of the Bank was extended for one year upto June 30, 1955, was re-appointed by the Union Government as Governor for a further period of two years, with effect from July 1, 1955.

Shri N. Sundaresan relinquished office as Deputy Governor on the expiry of his term of appointment on December 31, 1954, and in his place, the Union Government appointed Shri K. G. Ambegaokar as Deputy Governor for a term of five years, effective from March 1, 1955.

The Union Government notified, on June 10, 1955, the appointment of Shri B. Venkatappiah as Deputy Governor of the Bank for a period of five years as from July 1, 1955, following the amendment to Section 8(1) (a) of the Reserve Bank of India Act, which provided for the appointment of three Deputy Governors instead of two earlier.

The term of office of Shri D. N. Sen and Sahu Jagdish Prasad as Directors of the Central Board expired on January 14, 1955 and their vacancies were filled by the nomination by the Union Government, as from January 15, 1955, of Shri D. N. Mitra and Prof. Gorakhnath Sinha as Directors of the Central Board in terms of Section 8(1) (c) of the Act.

The Union Government nominated Shri K. G. Ambegaokar, I.C.S. to be a Director of the Central Board under Section 8(1) (d) of the Act in place of Shri S. G. Barve, I.C.S. with effect from July 23, 1954. Shri Barve was re-nominated from August 18, 1954 and continued as a Director till January 4, 1955, when Shri H. M. Patel, I.C.S. was nominated in his place. On May 21, 1955, the Union Government nominated Shri D. L. Mazumdar, I.C.S. as a Director *vice* Shri Patel.

**Meetings of the Central Board and its Committee.**—Eight meetings of the Central Board were held during the year, of which five were in Bombay and one each in Calcutta, New Delhi and Madras. The Committee of the Central Board held fifty-two meetings, all in Bombay, except for one in Madras.

**Bank's Premises.**—During the year under review, the Bank constructed a building comprising 30 flats at the Back Bay Reclamation to provide residential accommodation for officers at Bombay. The work of construction of residential quarters to accommodate 222 families of the Bank's officers and other categories of staff at Madras, and of new buildings for the Bank's offices in Calcutta and Madras, was also commenced during the year.

By Order of the  
Central Board of Directors,  
B. RAMA RAU,  
*Governor.*

## (Department of Economic Affairs)

## Office of the Treasurer of Charitable Endowments for India

## CORRIGENDUM

New Delhi, the 1st September 1955

**S.R.O. 1928.**—In the list of properties and the list and abstract account of securities held by the Treasurer of Charitable Endowments for India for the year 1954-55, published in the *Gazette of India*, Part II, Section 3, dated the 13th August, 1955—

1. On page 1573, (a) In Column 1 for "& 8" read "7 & 3".

(b) In column 6 against Serial Nos. 7 & 8 for the words "Fenkins House" read "Jenkins House".

2. On page 1576, In the Column headline above figure 7 for the figures "41 per cent. 1955-60" read "4½ per cent. 1955-60".

3. On page 1579, (a) In Column 8 against Case No. 16 for "78000" read "7300".

(b) In Columns 10 and 14 against case No. 21, for "10-9-2" please read "10-9-2\*" and "Representing the amount left over after the conversion of Rs. 5300 of 3 per cent. 1953-55 into 3 per cent. of 1946" read "\*Representing the amount left over after the conversion of Rs. 5300 of 3 per cent. 1953-55 into 3 per cent. of 1946".

[No. F.1(4)-F.I-TCE/55.]

S. G. BARVE,

Treasurer of Charitable Endowments for India.

## MINISTRY OF FINANCE (REVENUE DIVISION)

New Delhi, the 30th August 1955

## DANGEROUS DRUGS

**S.R.O. 1929.**—The following draft of certain further amendments which the Central Government proposes to make in the Central Manufactured Drugs Rules, 1934, in exercise of the powers conferred by sub-section (2) of section 6 of the Dangerous Drugs Act, 1930 (II of 1930), is published, as required by sub-section (1) of section 36 of the said Act, for the information of all persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration or after the 15th October, 1955.

Any objection or suggestion which may be received from any person with respect to the said draft before the date specified will be considered by the Central Government.

## Draft Amendments

In the said Rules—

(1) In rule 3, for the brackets and words "(other than codeine, dionine or thebaine or any of their salts)" the brackets and words "(other than codeine, dionine, thebaine, dihydrocodcinone, dihydrocodeine, acetyl dihydrocodine, acetyl dihydrocodeinone, dihydromorphine, dihydromorphinone, dihydro hydroxy codeinone or any of their salts)" shall be substituted.

(2) For rule 5, the following rule shall be substituted, namely:—

"5. The manufacture of morphine, codeine, dionine, thebaine, dihydrocodeinone, dihydrocodeine, acetyl dihydrocodeine, acetyl dihydrocodeinone, dihydromorphine, dihydromorphinone, dihydro hydroxy codeinone and their respective salts is prohibited save by the officers of the Government Alkaloid Works, Ghazipur."

[No. 5.]

(Sd.) [ILLEGIBLE.]  
Under Secy.

*New Delhi, the 31st August 1955*

HEADQUARTERS ESTABLISHMENT.

**S.R.O. 1930.**—In pursuance of clause (b) of sub-rule (ii) of rule 2 of the Appellate Tribunal Rules, 1946, the Central Government has been pleased to appoint Shri M. U. Reddy, Income-tax Officer, as Authorised Representative with effect from the 16th August, 1955, to appear, plead and act for any Income-tax Authority who is a party to any proceedings before the Income-tax Appellate Tribunal.

[No. 122.]

R. S. CHANDA, Under Secy.

*New Delhi the 31st August 1955*

HEADQUARTERS ESTABLISHMENT

**S.R.O. 1931.**—In exercise of the powers conferred by section 2 of the Central Board of Revenue Act, 1924 (IV of 1924), the Central Government hereby directs that, with effect from 14th August, 1955, the Central Board of Revenue shall consist of the following persons:—

*Chairman*

1. Shri A. K. Roy.

*Members*

2. Shri E. Rajaram Rao.
- 3 " E. S. Krishnamoorthy.
- 4 " V. V. Chari.
- 5 " S. D. Nargolwala.
- 6 " A. C. Bose.
- 7 " Indarjit Singh.

[No. 124.]

SAROOP SINGH, Under Secy.

*New Delhi, the 10th September 1955*

CENTRAL EXCISES

**S.R.O. 1932.**—In exercise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944, as in force in India, and as applied to the State of Pondicherry, the Central Government hereby exempts 'Aluminium Hydroxide' and 'Gloss White' from the whole of the duty leviable thereon, under section 3 of the Central Excises and Salt Act, 1944 (I of 1944).

[No. CER-8(1)/55.]

W. SALDANIA, Dy. Secy.

CENTRAL BOARD OF REVENUE

*New Delhi, the 29th August 1955*

INCOME-TAX

**S.R.O. 1933.**—In exercise of the powers conferred by sub-section (2) of section 5 of the Indian Income-tax Act, 1922 (XI of 1922) and in supersession of its Notification S.R.O. 2115 (No. 38-Income-tax, dated the 26th June, 1954), the Central Board of Revenue hereby directs that Shri V. V. Subramanian, a Commissioner of Income-tax, shall perform all the functions of a Commissioner of Income-tax in respect of:—

- (1) such areas as are comprised in the States of Assam, Manipur and Tripura, and
- (2) such persons or classes of persons, such incomes or classes of incomes or of such cases or classes of cases as are comprised in the following income-tax circles, namely:—

## [Central Circles] I to IIIA

Provided that he shall also perform his functions in respect of such persons or such cases as have been or may be assigned by the Central Board of Revenue to any Income-tax authority subordinate to him.

Provided further that he shall not perform his functions in respect of such persons or such cases as have been or may be assigned to any Income-tax authority outside his jurisdiction.

While exercising the said functions the said Shri Subramanian shall be designated as Commissioner of Incometax, Assam, Manipur and Tripura or as the Commissioner of Incometax (Central) Calcutta according as the functions performed have reference to the areas comprised in the States of Assam, Manipur and Tripura or to the Central Circles specified above as the case may be.

[55/98/55-IT.]

[No. 75.]

New Delhi, the 31st August 1955

## INCOME-TAX

**S.R.O. 1934.**—In pursuance of sub-section (4) of section 5 of the Indian Income-tax, Act, 1922 (XI of 1922), the Central Board of Revenue hereby directs that the following further amendments shall be made to its notification No. 32-Income-tax, dated the 9th November 1948, namely:—

In the schedule appended to the said notification under the sub-head "V-West Bengal" under "E" Range, Calcutta, after entry "9 Refund Circle, Calcutta" the following entry shall be added, namely:

"10. Estate Duty cum Income-tax Circle".

[50/31/55-IT.]

[No. 69.]

New Delhi, the 1st September 1955

## INCOME-TAX

**S.R.O. 1935.**—In exercise of the powers conferred by sub-section (2) of Section 5 of the Indian Income-tax Act, 1922 (XI of 1922) and in supersession of its notification S.R.O. 498 (No. 11-Income-tax dated the 23rd February, 1955), the Central Board of Revenue hereby directs that:—

1. Shri K. S. Sundara Rajan, Commissioner of Income-tax, shall be designated as Commissioner of Income-tax, Bombay City I and shall perform all the functions of a Commissioner of Income-tax in respect of such areas or of such persons or classes of persons or of such incomes or classes of incomes as are comprised in the Income-tax Circles, Wards and Districts, in the areas of Bombay City and Bombay Suburban Districts specified in Column 1 of the said schedule hereto annexed and in respect of such persons or of such cases as may be assigned by the Central Board of Revenue to any Income-tax authority subordinate to him, and

2. Shri V. Krishnamachari, Commissioner of Income-tax shall be designated as Commissioner of Income-tax, Bombay City II and shall perform all the functions of a Commissioner of Income-tax in respect of such areas or of such persons or classes of persons or of such incomes or classes of incomes as are comprised in the Income-tax Circles, Wards and Districts, in the areas of Bombay City and Bombay Suburban Districts specified in Column 2 of the said Schedule and in respect of such persons or of such cases as may be assigned by the Central Board of Revenue to any Income-tax Authority subordinate to him:

Provided that each of these Commissioners shall not perform his functions in respect of such persons or such cases as have been or may be transferred by the

Central Board of Revenue to any Income tax authority outside his jurisdictional areas as aforesaid.

SCHEDULE

Commissioner of Income-tax, Bombay City I	Commissioner of Income-tax Bombay City II.
Companies Circle I (All sections),	Companies Circle III (All sections except 6),
Companies Circle II (All sections)	A-II Ward.
Companies Circle III (6)	B-I Ward.
Companies Circle IV (All sections),	B-II Ward.
Bombay Circles I, II and III (EPT)	B-III Ward.
A-I Ward.	C-I—Ward.
A-III Ward.	C-III Ward.
A-IV Ward.	C-IV Ward.
A-V Ward.	D-I Ward.
Market Ward.	D-II Ward.
C-II Ward.	' E ' Ward.
Salaries Branch I	' G ' Ward.
Salaries Branch II.	Bombay Suburban District.
Bombay Refund Circle.	Special Survey Circle II.
Non-residents Refund Circle	Special Survey Circle III.
Foreign Section.	Special Survey Circle IV.
Income-tax cum Estate Duty Circle	Special Survey Circle V
Special Survey Circle I.	
Special Survey Circle VI.	
Special Investigation Branch.	

[55/98/55-IT.]

[No. 71.]

**S.R.O. 1936.**—In exercise of the powers conferred by sub-section (2) of Section 5 of the Indian Income-tax Act, 1922 (XI of 1922) and in supersession of its Notification S.R.O. 757 (No. 20 Income-tax dated 30th March, 1955) the Central Board of Revenue hereby directs that Shri H. R. Agnihotri, a Commissioner of Income-tax, shall perform all the functions of a Commissioner of Income-tax in respect of such areas or of such persons or classes of persons or of such incomes or classes of incomes or of such cases or classes of cases as are comprised in the following Income-tax Circles, Wards, Districts and Sections, namely:—

(i) BOMBAY SOUTH

All Income-tax Circles and Wards at Poona.  
 All Income-tax Wards of Belgaum District.  
 Satara North District.  
 All Income-tax Wards of Satara South District.  
 All Income-tax Wards in Kolhapur District.  
 All Income-tax Wards of Thana District.  
 All Income-tax Wards of Kolaba District.  
 Ratnagiri District.  
 All Income-tax Wards of Sholapur District.  
 All Income-tax Wards of Ahmednagar District.  
 All Income-tax Wards of Dharwar District.  
 All Income-tax Wards of Bijapur District.  
 Special Survey Bombay South Circle.

(ii) BOMBAY CENTRAL

Central Section I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV and Central Circles I-A, I-B, I-C, II-A, II-B, II-C, II-D and II-E of Bombay Central Charge

Provided that he shall also perform his functions in respect of such persons or such cases as have been or may be assigned by the Central Board of Revenue to any Income-tax Authority subordinate to him.

Provided further that he shall not perform his functions in respect of such persons or such cases as have been or may be assigned to any Income-tax authority outside his jurisdiction.

While exercising the said functions the said Shri Agnihotri shall be designated as the Commissioner of Income-tax Bombay South, or as the Commissioner of Income-tax, Bombay (Central) according as the functions performed have reference to areas, persons, or classes of persons or incomes or classes of incomes, cases or classes of cases comprised in the Income-tax Circles, Wards, Districts and Sections in Bombay South or Bombay (Central), as the case may be.

[55/98/55-IT.]

[No. 72.]

K. B. DEB, Under Secy.

## MINISTRY OF COMMERCE AND INDUSTRY

*New Delhi, the 1st July 1955*

**S.R.O. 1937.**—In exercise of the powers conferred by section 5 of the Essential Commodities Act, 1955, (10 of 1955) and in supersession of the Government of India, late Department of Industries and Supplies, Notification No. 73/1-TA/46, dated the 28th December 1946 and the Government of India, late Ministry of Industry & Supply, Notification S.R.O. 846 dated the 4th November 1950, the Central Government hereby directs that the powers conferred on it by sub-section (1) of section 3 of the said Act to provide for the matters specified in clauses (c), (d), (e), (f), (g), (h), (i) and (j) of sub-section (2) thereof shall, in relation to cotton textiles, be exercisable also by the Government of any Part A or part B State, Subject to the condition that no order made by the Government of a Part A or Part B State in the exercise of the aforesaid powers shall have effect in so far as it is repugnant to any Order made under the said sub-section (1) by the Central Government.

[No. 8(20)-CT(A)/55.]

P. S. SUNDARAM, Dy. Secy.

*New Delhi, the 3rd September 1955*

**S.R.O. 1938.**—In exercise of the powers conferred by sub-clause (i) of Clause 5 of the Cotton Textiles (Export Control) Order, 1949, the Central Government hereby makes the following further amendment in the Notification of the Government of India in the late Ministry of Commerce No. 67-CW (25A)/48, dated the 26th March 1949, namely:—

In the said Notification, in sub-paragraph (1) of paragraph 2, for item (ii) the following shall be substituted, namely:—

“(iii) the width of the cloth in inches and the length in yards.”

[No. 46(34)-CT(A)/52-27.]

V. NATESAN, Under Secy.

*New Delhi, the 6th September 1955*

**S.R.O. 1939.**—In exercise of the powers conferred by sub-clause (b) of Clause 2 of the Iron and Steel (Scrap Control) Order, 1943, the Central Government is pleased to direct that the following amendment shall be made in the Notifications of the Government of India in the Ministry of Commerce and Industry Nos. S.R.O. 3295 [SC(A)-4(216)/54-A] and S.R.O. 3297 [SC(A)-4(216)/54-C], dated the 19th October, 1954, published in Gazette of India, Part II, Section 3, dated the 30th October, 1954, as amended from time to time, namely:—

The entry—

“District Industries Officers, Government of Punjab”.

shall be inserted after the entry—

“Assistant Food Controller, Hissar”.

[No. SC(A)-4(216)/A.]

**S.R.O. 1940.**—In exercise of the powers conferred by sub-clause (a) of Clause 2 of the Iron and Steel (Control of Production and Distribution) Order, 1941, the Central Government is pleased to direct that the following amendment shall be made in the Notifications of the Government of India in the Ministry of Commerce and Industry Nos. S.R.O. 3294 [SC(A)-4(216)/54] and S. R. O. 3296 [SC(A)-4 (216)/54-B], dated the 19th October, 1954, published in the Gazette of India, Part II, Section 3 dated the 30th October, 1954, as amended from time to time, namely:—

The entry—

“District Industries Officers, Government of Punjab” shall be inserted after the entry—

“Assistant Food Controller, Hissar.”

[No. SC(A)-4(216).]

M. R. MENON, Under Secy.

### Indian Standards Institution

*New Delhi, the 2nd September, 1955.*

**S.R.O. 1941**—In pursuance of sub-regulations (2) and (3) of regulation 3 of the Indian Standards Institution (Certification Marks) Regulations, 1955, the Indian Standards Institution hereby notifies that the Indian Standards, particulars of which are given in the Schedule hereto annexed, have been established during the period 26 August to 2 September 1955.

#### THE SCHEDULE

Sl. No.	No. and title of the Indian Standard established	No. and title of the Indian Standard or Standards, if any, superseded by the new Indian Standard	Brief Particulars
(1)	(2)	(3)	(4)
1	IS : 644-1955 Specification for Dipentene for Paints.	..	This standard prescribes the requirements and the methods of test for Dipentene which is used as a thinner and solvent for paints. (Price Re. 1).
2	IS : 233-1954 Methods for Determination of Mean Fibre-Length of Cotton and the Proportion by Weight of Fibres of Different Length-Grades in Cotton.	..	This standard prescribes three methods viz., Ball Sorter Method, Ahmed Nanjundayya Stapling Apparatus Method and Baer Sorter Method, for determining the mean-fibre length and the proportion, by weight, of fibres of different length-grades in a sample of cotton. (Price Rs. 1-8-0).
3	IS : 666-1955 Specification for Drilling Jig Bushes (Tentative).	..	This standard covers the different types of jig bushes used in drilling work in modern workshops, viz., press fit bushes (headless and headed), renewable bushes (slip and fixed) and liners (headless and headed) (Price Rs. 2-8-0).

Copies of all these standards are available for sale with the Secretary (Administration), Indian Standards Institution, 19 University Road, Delhi-8.

D. V. KARMAKAR,  
Deputy Director (Marks).  
Indian Standards Institution.

[No. MDC/11 (4)]

T. S. RAMASWAMI, Under Secy.



**MINISTRY OF FOOD AND AGRICULTURE**  
(Agriculture)

*New Delhi, the 29th August 1955*

**S.R.O. 1942.**—In pursuance of the provisions of Section 4(x) of the Indian Cotton Cess Act, 1923 (XIV of 1923), the Central Government hereby nominate Shri V. Nanjappa, I.C.S., Textile Commissioner to the Government of India as a member of the Indian Central Cotton Committee for a period of one year with effect from 1st April, 1955.

[No. F.1-12/55-Com.II.]

*New Delhi, the 1st September 1955*

**S.R.O. 1943.**—In pursuance of provisions of Section 4(x) of the Indian Cotton Cess Act, 1923 (XIV of 1923), the Central Government hereby re-nominate Shri C. Jaganatha Rao, Cotton Cum-Oilseeds Specialist, Andhra, as a member of the Indian Central Cotton Committee, for a period of one year with effect from the 1st April, 1955.

[No. F.1-12/55-Com.II.]

*New Delhi, the 2nd September 1955*

**S.R.O. 1944.**—In pursuance of the provisions of Section 4(ii) of the Indian Cotton Cess Act, 1923 (XIV of 1923), the Central Government hereby nominate Dr. S. B. Singh, Director of Agriculture, Uttar Pradesh, as a member of the Indian Central Cotton Committee, Bombay, upto 31st March, 1958, *vice* Dr. B. L. Sethi.

[No. F.1-12/55-Com.II.]

F. C. GERA, Under Secy.

*New Delhi, the 3rd September 1955*

**S.R.O. 1945.**—In exercise of the powers conferred by sub-section (1) of section 3 of the Destructive Insects and Pests Act, 1914 (II of 1914), the Central Government hereby directs that the following further amendment shall be made in the notification of the Government of India, in the late Department of Education, Health and Lands No. F.320/35-A dated the 20th July, 1936, namely:—

In the last proviso to clause 3 of the said Notification, after the word "Amritsar" the words "or at the Sewri Quarantine Station, Bombay" shall be substituted.

[No. F. 6-12/55-PPS.]

BALWANT SINGH, Dy. Secy.

**MINISTRY OF HEALTH**

*New Delhi, the 27th August 1955*

**S.R.O. 1946.**—The Government of the State of Madras having nominated in exercise of the powers conferred by clause (h) of Section 3 of the Pharmacy Act, 1948 (VIII of 1948), Dr. K. P. Sarathy, M.B., B.S., M.Sc., Professor of Pharmacology, Medical College, Madras as a member representing it in the Pharmacy Council of India, in the vacancy caused by the resignation of Dr. V. Iswariah, the following amendment is made in the notification of the Government of India in the Ministry of Health, No. F.7-26/53-DS dated the 23rd June, 1954, namely:—

In the said notification, for the entry "28. Dr. V. Iswariah, B.A., M.R.C.P., Professor of Pharmacology, Medical College, Madras", the entry "28. Dr. K. P. Sarathy, M.B., B.S., B.Sc., Professor of Pharmacology, Medical College, Madras" shall be substituted.

[No. F.7-50/55-D.]

*New Delhi, the 31st August 1955*

**S.R.O. 1947.**—In exercise of the powers conferred by sub-sections (1) and (2) of section 7 of the Drugs Act, 1940 (XXIII of 1940), the Central Government

hereby directs that the following further amendment shall be made in the notification of the Government of India in the Ministry of Health, No. F.1-3/47-D(II), dated the 13th September, 1948, constituting the Drugs Consultative Committee, namely:—

In the said notification, under the heading 'Nominated by State Governments' after entry 10, the following entry shall be inserted, namely:—

"(11) Shri N. Chandrasekharan Nair, B. Pharm., Assistant Drugs Controller, State of Travancore-Cochin."

[No. F.4-6/55-D.]

P. N. ANAND, Under Secy.

*New Delhi, the 2nd September 1955*

**S.R.O. 1948.**—In exercise of the powers conferred by clause (a) of sub-section (1) of section 3 of the Indian Medical Council Act, 1933 (XXVI of 1933) the Central Government hereby nominates Dr. S. N. Gantayet, M.B., B.S., D.C. (Oxon.), Director of Health Services, Orissa, as a member of the Medical Council of India *vice* Lieutenant-Colonel P. Papatla resigned.

[No. 5-20/54-ML.]

A. V. VENKATASUBBAN, Dy Secy.

## MINISTRY OF TRANSPORT

(Transport Wing)

MERCHANT SHIPPING

*New Delhi, the 27th August 1955*

**S.R.O. 1949.**—In pursuance of clause (b) of sub-section (1) of section 213B of the Indian Merchant Shipping Act, 1923 (XXI of 1923), the Central Government hereby declares that the Safety Convention as defined in clause (d) of section 213-A of the said Act, that is to say, the Convention for the Safety of Life at Sea signed in London on the tenth day of June, nineteen hundred and fortyeight, has been extended to Tunisia, Morocco and the French Overseas Territories.

[No. 46-MA(7)/54.]

*New Delhi, the 3rd September 1955*

**S.R.O. 1950.**—In exercise of the powers conferred by section 191 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), the Central Government hereby makes the following amendments in the Unberthed Passenger Ships Rules, 1954, the same having been previously published as required by sub-section (3) of the said section, namely:—

In the said Rules—

(1) after the preamble, for the words "Draft Rules" the word "Rules" shall be substituted;

(2) in clause (v) of rule 2, for the words "Additional or Deputy Assistant Port Health Officer", the words "Additional, Deputy or Assistant Port Health Officer" shall be substituted;

(3) in the table accompanying rule 3—

(i) for the figures and abbreviations " $\frac{1}{2}$  oz" and "1 oz" occurring in columns 2 and 3 against the entry relating to "Ghee or oil", the figures and abbreviations " $\frac{1}{4}$  oz" and "2 oz", respectively, shall be substituted;

((ii) in column 2 against the entry relating to "Milk" the figure and abbreviation "4 oz" shall be inserted;

(4) in rule 7—

(i) in clause (a), after the word "surveyor" the words "and the Port Health Officer" shall be inserted;

(ii) after clause (c), the following clause shall be inserted, namely:—

"(d) all fresh water tanks shall be cleaned out, cement washed (or, if coated with bituminous, plastic or other proprietary composition, recoated where necessary) and aired and disinfected at intervals not exceeding 12 months. In addition, the tanks should be thoroughly pumped out, hosed and disinfected prior to re-filling, at approximately six-monthly intervals. This disinfection should, whenever possible, be carried out under the supervision of the Port Health Officer."

(5) in rule 8, for the words "fresh drinking water" the words "fresh and potable drinking water" shall be substituted;

(6) for rule 11, the following rule shall be substituted, namely:—

"11. The medical officer or, if there is no medical officer, the Master of a ship, shall provide free medical stores and surgical appliances for the use of passengers requiring medical treatment while on the ship";

(7) in rule 12—

(i) in clause (i), for the words "surveyor or the port health officer", the words "surveyor and the port health officer" shall be substituted;

(ii) in the table accompanying clause (viii), for the headings of columns 2 and 3, the following headings shall be substituted, namely:—

<i>Number of beds for</i>	
"Voyages of duration between 48 hours and 120 hours.	Voyages of duration over 120 hours.

(8) in clause (i) of rule 14, for the words "surveyor or port health officer", the words "surveyor and the port health officer" shall be substituted;

(9) for rule 40, the following rules shall be substituted, namely:—

"40. *Inspection of Catering Arrangements.*—(1) (a) Every ship shall be inspected by the Port Health Officer at a major port of embarkation, namely, the ports at Bombay, Calcutta, Madras, Cochin, Visakhapatnam or Kandla and at the undermentioned minor ports of embarkation, namely:—

- (i) Okha,
- (ii) Nagapattinam,
- (iii) Tuticorin,
- (iv) Dhanushkodi,
- (v) Mangalore,
- (vi) Malpe,
- (vii) Porbundar,
- (viii) Bedibundar,
- (ix) Chandbali,
- (x) Gopalpur,
- (xi) Port Blair.

and at such other ports as may be notified from time to time by the Central Government in this behalf. The inspection at a major port of embarkation shall take place in respect of ships engaged on overseas unberthed passenger trade every time before passengers embark and at any of the said minor ports, or at any other port that may be notified as aforesaid, at such intervals and at such time as may be found convenient by the Port Health Officer concerned. Every Port Health Officer shall issue a certificate of inspection in the form set out in Schedule VII after carrying out the necessary inspection and examination and after satisfying himself that the food, materials, utensils, cooking places and the dining spaces for passengers are satisfactory and the catering staff are fit and in good health to carry out their duties without detriment to the health of the passengers. The certificate of inspection shall be in triplicate, of which one copy shall be given to the Master of the ship and the duplicate shall be forwarded to the Principal Officer, Mercantile Marine Department (of the Madras, Bombay or Calcutta District, as may be appropriate) and the triplicate shall be retained by the Port Health Officer.

(b) At the minor port of Mayabundar every ship shall be inspected by the Medical Officer and he shall issue a certificate of inspection in accordance with the provisions laid down in clause (a).

(2) In the case of ships engaged in the coastal unberthed passenger trade and carrying passengers on short voyages, the inspection of food, materials, utensils, cooking places and the dining spaces for passengers may be carried out and the necessary certificate in the Form appended to these rules issued, as and when possible, by the Port Health Officer or the Medical Officer, as the case may be.

(3) The Master of a ship shall, as soon as he obtains a copy of the certificate of inspection, take all necessary steps to rectify any defect in the condition of food or materials, or any other matter, pointed out in the certificate and shall replace, before embarkation, any member of the catering staff who has been certified to be medically unfit.

(4) In any case where for any special reason it has not been possible for the Port Health Officer or the Medical Officer, as the case may be, at the main port of embarkation to issue a certificate of inspection as provided in the rule, the Port Health Officer or the Medical Officer concerned, as the case may be, shall arrange to issue to the Master of the ship a certificate of exemption in the form set out in Schedule VIII. A copy of such certificate shall be forwarded to the Principal Officer, Mercantile Marine Department concerned."

(10) In schedules I, II and III, for the names of the medicines mentioned in column (1) below, the names of the medicine mentioned against them in column (2) shall respectively be substituted, namely:—

Column (1)	Column (2)
<i>In Schedule I</i>	
Tablets medicinal Acidum Acetyl-Salicylicum, 5 grs.	Tablets acidum acetylsalicylicum, 5 grs.
Antiphlogistine . . . . .	Cataplasma Kaolin.
Hydroxidum . . . . .	Calcii Hydroxidum.
Coramina . . . . .	Nikethamide.
" Sulphamezathine " Tablets . . . . .	Sulphadimidine.
Anti-Tetanic Serum . . . . .	Antitoxin Tetanus.
Free double distilled water 5 c.c. ampoules . . . . .	Pyrogen free double distilled water 5 c.c. ampoules.
Novocaine . . . . .	Procaine Hydrochloride.
Protargol or Argyrol (10% solution) . . . . .	Argentoproteinum mite.
Tablets "Paludrine" . . . . .	Proguanil Hydrochloride.
Tannafe . . . . .	Tannic acid jelly.
Tincture Digifortis . . . . .	Tinctura Digitalis.
Vaccine anti-smallpox fresh . . . . .	Vaccine Lymph (fresh)
Catheter No. 8 size . . . . .	Catheter metal No. 8 size.
<i>In Schedule II</i>	
Tablets medicinal Acidum . . . . .	Tablets Acidum.
Acetylsalicylicum 5 grains . . . . .	Acetylsalicylicum 5 grains.
Tanna Fax . . . . .	Tannic Acid Jelly.
<i>In Schedule III.</i>	
Tanna Fax . . . . .	Tannic Acid Jelly.

New Delhi, the 30th August 1955

PORTS

**S.R.O. 1951.**—In exercise of the powers conferred by sub-section (3) of section 3 of the Indian Ports Act, 1908 (XV of 1908), the Central Government hereby authorises Sarvashri M. S. Karnik and A. V. Figueredo, temporary pilots of the Bombay Port Trust, to pilot vessels in the Port of Bombay.

[No. 8-PI(186)/55.]

**S.R.O. 1952.**—In pursuance of sub-section (2) of Section 9 of the Madras Port Trust Act, 1905 (Madras Act VI of 1905), it is hereby notified that, in accordance with the provisions of Section 13 of the said Act, Shri F. G. Hadden of Messrs. Gordon Woodroffe and Company (Madras) Limited, Madras, has been elected by the Madras Chamber of Commerce to be a Trustee of the Port of Madras with effect from the 18th August, 1955, *vice* Shri J. R. Galloway resigned.

[No. 13-PI(70)/55.]

K. NARAYANAN, Under Secy.

New Delhi, the 7th September 1955

PORTS

**S.R.O. 1953.**—In exercise of the powers conferred by sub-section (3) of section 3 of the Indian Ports Act, 1908 (XV of 1908), the Central Government is pleased to authorise the following officers to pilot vessels in and out of the Port of Kandla:—

1. Shri Ishak Abha, Serang, Pilot, Kandla Port—to pilot coastal vessels upto 4,000 tons gross in and out of the Port of Kandla in day light only.
2. Shri Ayub Hasam, Serang Pilot, Kandla Port—to pilot coastal vessels upto 4,000 tons gross in and out of the Port of Kandla in day light only.

[No. 3-PII(67)/55.]

A V. SUBRAMANIA IYER, Under Secy.

MINISTRY OF PRODUCTION

New Delhi, the 3rd September 1955

**S.R.O. 1954.**—In exercise of the powers conferred by clause (b) of sub-section (3) of section 4 of the Central Silk Board Act, 1948 (LXI of 1948), read with sub-rule (1) of rule 8 of the Central Silk Board Rules, 1955, the Central Government hereby directs that the following amendment shall be made in the Notification of the Government of India in the Ministry of Commerce and Industry No. S.R.O 784, dated the 7th April, 1955, namely:—

In the said notification, for item No. 1, the following item shall be substituted, namely:—

- "1. Shri V. Narayanan, Joint Secretary to the Government of India, Ministry of Finance (I. & C. Division)."

[No. 22(1)-Cot.Ind(Silk)/55.]

G. S. SHARMA, Under Secy.

ORDER

New Delhi, the 27th August 1955

**S.R.O. 1955.**—In exercise of the powers conferred by section 5 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the

following amendment in the notification of the Government of India in the Ministry of Production, No. 18-CI(4)/55/I, dated the 10th June, 1955, namely:—

In the Schedule to the said notification the following entries shall be added at the end, namely:—

<p>“11. Director of Textiles and Consumer Goods Department of Food, Relief and Supplies, Government of West Bengal and the Movement Sponsoring Authority/Principal Liaison Officer, Home (Political) Department, Government of West Bengal.</p>	<p>Clause (d)</p>	<p>Permitting diversion of coal consignments from one station to another within the State of West Bengal.”</p>
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[No. 18-CI(9)/55.]

A. NANU, Dy. Secy.

### MINISTRY OF WORKS HOUSING AND SUPPLY

*New Delhi, the 2nd September 1955*

**S.R.O. 1956.**—In exercise of the powers conferred by clause (b) of section 2 of the Requisitioning and Acquisition of Immovable Property Act, 1952 (XXX of 1952), the Central Government hereby authorises the Estate Manager, Calcutta, to perform the functions of the competent authority under the said Act for the area within the jurisdiction of the Corporation of Calcutta, and also for that portion of the area in the districts of 24 Parganas in the State of West Bengal, which is not within the jurisdiction of the said Corporation.

[No. EV-11(1)/55.]

J. L. CHOPRA, Dy. Secy.

### MINISTRY OF REHABILITATION

*New Delhi, the 30th August 1955*

**S.R.O. 1957.**—In exercise of the powers conferred by Sub-Section (1) of Section 3 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954), the Central Government hereby appoints Shri Prem Kumar, Custodian of Evacuee Property, Pepsu, as Additional Settlement Commissioner, for the purpose of performing the functions assigned to such Commissioner by or under the said Act.

[No. 3/28/55-SII.]

**S.R.O. 1958.**—Whereas the Central Government is of the opinion that it is necessary to acquire certain evacuee properties in the State of Punjab for the public purpose being a purpose connected with the relief and rehabilitation of displaced persons including payment of compensation to such persons,

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 12 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954); it is notified that the Central Government has decided to acquire, and hereby acquires, the evacuee properties specified in the Schedule.

#### THE SCHEDULE

All cattle sheds and vacant sites in village abadis in the State of Punjab that is to say, cattle sheds and vacant sites situated in any area in that State outside the limits of a corporation, a municipality, a municipal committee, a notified area committee, a town area or a small town committee or a cantonment as those limits existed on the 15th August 1947, which have been declared or deemed to have been declared as evacuee properties under the Administration of Evacuee Property Act, 1950 (XXXI of 1950) except all such properties falling under any one or more of the following categories:—

(1) any such property:—

(i) in respect of which proceedings are pending before any authority at the date of this notification under the Administration of Evacuee Property Act 1950 (XXXI of 1950) in which the question at issue is whether the property is or is not evacuee property; or

(ii) in respect of which the period of limitation, if any, fixed for an appeal or revision under the said Act for disputing the vesting of property in the Custodian as evacuee property has not expired;

(2) any such property in respect of which an application for the grant of a certificate under sub-section (1) of section 16 of the Administration of Evacuee Property Act, 1950, (XXXI of 1950) is pending at the date of this notification or in respect of which the period of limitation fixed for making such application has not expired;

(3) any such property which has been restored under section 16 of the Administration of Evacuee Property Act, 1950 (XXXI of 1950) or in respect of which an application under sub-section (2) of that section for its restoration is pending at the date of this notification, or in respect of which a certificate under sub-section (1) of that section has been granted but no application under sub-section (2) of that section for its restoration has been made;

(4) any such property which before the date of this notification has been transferred and the transfer is effective under section 40 of the Administration of Evacuee Property Act, 1950 (XXXI of 1950) or in respect of which any proceedings are pending at the date of this notification under that section,

(5) any such property which is a composite property within the meaning of the Evacuee Interest (Separation) Act, 1951 (LXIV of 1951);

(6) any such property in respect of which any proceedings are pending in a Civil Court wherein the question at issue is whether the property is evacuee property or not;

(7) any such property which at the date of this notification is being treated or is being managed as a trust property for a public purpose of a religious or charitable nature under sub-section (1) of section 11 of the Administration of Evacuee Property Act, 1950 (XXXI of 1950);

(8) any such property in respect of which a reference has been made by the Custodian to the Central Government for orders under clause (iii) (d) of sub-rule (6) of rule 14 of the Administration of Evacuee Property Central Rules, 1950 and which reference is pending either before the Central Government or before the Custodian.

[No. SIII-19(44)/54.]

*New Delhi, the 2nd September 1955*

**S.R.O. 1959.**—In exercise of the powers conferred by Sub-Section (1) of Section 3 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954), the Central Government hereby appoints Shri Bhojraj L. Radhakrishnani, as Settlement Officer for the purpose of performing the functions assigned to such officer by or under the said Act with effect from the date he took charge of his office

[No. 6/5/55-SII..]

M. L. PURI, Under Secy.

*New Delhi, the 6th September 1955*

**S. R. O. 1960.**—Whereas the Central Government is of opinion that it is necessary to acquire certain evacuee properties in the State of Andhra for a public purpose, being a purpose connected with the relief and rehabilitation of displaced persons, including payment of compensation to such persons;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 12 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954), it is notified that

the Central Government has decided to acquire, and hereby acquires, the evacuee properties specified in the Schedule hereto annexed.

## THE SCHEDULE

Sl. No.	Particulars of the Evacuee property	Name of the town and locality in which the evacuee property is situated	Name of the evacuee
1	2	3	4
1.	Position of Tiled house No. 18/134 of Gollad Veedhi, Mangala Varapupeta.	Rajahmundry Town Rajahmundry Division.	Shri M. A. Razaak.
2.	Door No. 529, Ward No. 14 T. S. No. 438.	Main Road, Anakapalli Narasapatam Division Visakhapatnam District.	Shri Shakt Peer Mohamed.
3.	Shop bearing door No. 78 Ward XI of Rayadrug Town.	Ward No. XI of Rayadrug town, Anathpur District.	Hazi Karim Ahmed Saheb.
4.	Residential house bearing No. 412, Ward III of Rayadrug Town.	Ward No. III of Rayadrug town, Anathpur District.	Hazi Karim Ahmed Saheb.
5.	A terraced house bearing door No. 12/179 Guddapah Town.	Ward No. 12, of Guddapah town, Guddapah District.	Shaik Abdulla Saheb.
6.	One dilapidated house No. 2/17-A, in Ramayupatnam Village.	Ramayupatnam village Kanduker Taluk, Nellore District.	Saleh Mohamed Khan.
7.	One dilapidated house in Biringole Village.	Bhogole Village, Kavali Taluk, Nellore District.	Saleh Mohamed Khan.
8.	131/5, Residential House (Tiled Building).	Old pet, Chandragiri, Chittoor.	Shri B. Mohammed Issaque.

No. F. 10(111) SI/55.

New Delhi, the 7th September 1955

**S.R.O. 1961.**—In pursuance of sub-rule (1) of rule 95 of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955, the Central Government hereby invites applications in the form specified in Appendix XXVI to the said rules, within ninety days from the date of publication of this notification, for the payment of rehabilitation grants from the class of persons referred to in sub-rule (1) of rule 96 of the said rules, that is to say, from all displaced persons having no verified claims who have left immovable property in West Pakistan and who came to India from West Pakistan after the 31st July 1952.

[No. F.44(5)-SI/55.]

KULWANT SINGH, Under Secy.

## COLLECTORATE OF CENTRAL EXCISE, CALCUTTA

Calcutta, the 20th August 1955

**S.R.O. 1962.**—In exercise of the powers conferred by Rules, 233 and 50 of the Central Excise Rules, 1944, I hereby direct that no manufacturer of cement and Art Silk fabrics, which are subject to a duty of Excise, shall without the permission of the factory officer remove from the approved factory premises any non-excisable goods produced in such premises; or, any intermediate or residual products, except waste matter and such other material as may be specified, hereafter,



by the Collector in writing. Until further orders applications for such clearances should be submitted to factory officers in the following form:—

No.

To

The Factory Officer  
Factory

Please authorise under rule 50 of Central Excise Rules, 1944, removal of the following:—

- (1) Quantity and description of goods.
- (2) Name and Address of consignee.
- (3) Date and time of removal.
- (4) Marks & Nos. on packages.

Signature  
Manufacturer/Agent.

The Inspector of Central Excise shall after satisfying himself as to the correctness of the goods, accord permission by endorsing one copy of the application as follows:—

Permitted  
Inspector of Central Excise  
Factory.

and return to the manufacturer who may hereafter remove the goods out of the factory. The original copy of the application will remain on the Inspector's record.

[No. 10 EX(MP)/55.]

T. C. SETH, Collector  
of Central Excise, Calcutta.

### MINISTRY OF LABOUR

New Delhi, the 31st August, 1955

**S.R.O. 1963.**—Whereas it appears to the Central Government that the employer and the majority of employees in relation to the factory of M/s. Guest Keen Williams Ltd., Bhandup Works and Estate, Wakefield House, Sprout Road, Battard Estate, P.O. Box 575, Bombay-1, have agreed that the provisions of the Employee's Provident Funds Act, 1952 (XIX of 1952), should be made applicable to the said factory.

Now, therefore, in exercise of the powers conferred by sub-section (4) of section 1 of the Employees' Provident Funds Act, 1952 (XIX of 1952), the Central Government hereby applies the provisions of the said Act to the said factory.

[No. PF.57(6)/55.]

P. N. SHARMA, Under Secy.

New Delhi, the 1st September 1955

**S.R.O. 1964.**—Whereas the Central Government is satisfied that the employees in the Regional Electrical and Mechanical Workshop, Safdarjung Airport, New Delhi, which is a factory belonging to the Government of India, are in receipt of benefits substantially similar or superior to the benefits provided under the Employees' State Insurance Act, 1948 (XXXIV of 1948);

Now, therefore, in exercise of the powers conferred by section 90 of the said Act, the Central Government hereby exempts the said factory from all the provisions of the said Act for a further period of one year with effect from the 28th August, 1955.

[No. S.S.138(141).]

K. N. NAMBIAR, Under Secy.

*New Delhi, the 5th September 1955*

**S.R.O. 1965.**—In exercise of the powers conferred by section 4 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby directs that the following amendment shall be made in the notification of the Government of India in the Ministry of Labour No. S.R.O. 379, dated the 25th February, 1952, namely:—

In the Table appended to the said notification in column (2) headed "Territorial Jurisdiction"—

- (i) for the words "Orissa and Vindhya Pradesh" occurring in the entry against entry 4 "Regional Labour Commissioner (Central), Dhanbad" in column (1), the words "and Orissa" shall be substituted; and
- (ii) for the words "and Bhopal" occurring in the entry against entry 5 "Regional Labour Commissioner (Central), Nagpur" in column (1), the words "Bhopal and Vindhya Pradesh" shall be substituted.

[No. LR-1(201).]

N. C. KUPPUSWAMI, Dy. Secy.

*New Delhi, the 3rd September 1955*

**S.R.O. 1966.**—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Dhanbad in the dispute between the employers in relation to Jamadoba Colliery of Messrs. Tata Iron & Steel Co. Ltd. P.O. Jealgora and their workmen.

**CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL AT DHANBAD**  
REFERENCE No. 13 OF 1954

PRESENT

Shri P. S. Bindra, B.A.L.L.B., Chairman

PARTIES

The employers in relation to the Jamadoba Colliery of Tata Iron & Steel Company Limited, P. O. Jealgora.

and

their workmen.

APPEARANCES

For the employers:

Shri S. S. Mukherjee, B.Sc. B.L. Pleader,  
and

Shri D. Narsingh, Chief Personnel Officer, M/s. Tata Iron & Steel Co. Ltd.,  
P.O. Jealgora.

For the workmen:

Shri D. L. Sen Gupta, Advocate, Member, Working Committee, Indian  
National Mine Workers Federation.

Shri S. K. Bose, Vice President, Bihar Colliery Mazdoor Sangh.

Shri B. N. Sharma, General Secretary, Tata Collieries Labour Association.

Shri Shankar Singh, The Tata Collieries Workers' Union.

Shri S. Das Gupta, Secretary, Bihar Colliery Mazdoor Sangh.

AWARD

By Government of India Ministry of Labour, Order No. S.R.O. 3177 dated 28th September 1954, Order No. S.R.O. No. 3532 dated 24th November 1954 and Order No. S.R.O. 599 dated 11th March 1955 and a further Order No. LR.2(6)/55 dated 22nd July, 1955, the dispute between the employers in relation to the Jamadoba Colliery of Tata Iron & Steel Company Limited, P.O. Jealgora and their workmen in respect of the following matters has been referred to this Tribunal for adjudication,

- “(i) Was the management justified in reducing the number of mine cars loaded and despatched, resulting in a cut in the wages of loaders? If not what relief should be allowed to the workers and from what date?
- (ii) Should the rate for loading mine cars be fixed at Rs. 7-3-3 instead of the existing rate of Rs. 3-13-9?
- (iii) Should not the existing rate of load for 81 and 85 C.ft. mine cars be increased having regard to the rate recommended by the Conciliation Board (Colliery Disputes) in 1947 for 36 C.ft. tubs?
- (iv) Should rations be supplied to all dependants of colliery workers whether living in the colliery premises or outside?
- (v) Whether the clerks and workers of Foodstuff Section who do not now work on Sundays, should get wages for seven days for six days' work.

and amended as follows:—

(i) in item (ii) the words “having regard to the recommendations of the Board of Conciliation appointed in 1947” shall be inserted at the end; and

(ii) after item No. (v) the following shall be inserted, namely:—

“(vi) From what date the award on the different issues should be given effect to.”

2. I take up issue No. (ii) as amended which reads as follows:—

Should the rate for loading mine cars be fixed at Rs. 7-3-3 instead of the existing rate of Rs. 3-13-9 having regard to the recommendations of the Board of Conciliation appointed in 1947 and from what date the award in this respect should be given effect to.

There are two types of mine cars used in this colliery, one has got a capacity of 81 c.ft. and the other a capacity of 85 c.ft. if they are loaded upto the water level. According to the workmen the rate for machine cut coal should be fixed at Rs. 7-3-3 for loading a mine car having a capacity of 81 c.ft. and filled upto the water level. This is claimed on the basis of the Conciliation Board Award and with effect from May 1947. The management however contends that the rate according to the Conciliation Board Award comes to Rs. 3-13-9 per mine car which should be filled not upto water level but as a heaped spoon and thus giving a capacity of 112 c.ft. I got two plans filed by the management marked Exhibits 82(1/a) and 82(1/b) which show the condition of the mine car when loaded like a heaped spoon. The management expects 112 c.ft. of coal from each mine car whether it has got a capacity of 81 c.ft. or 85 c.ft. A perusal of plan Exhibit 82(1/b) will show that a mine car having a capacity of 85 c.ft. will have to be loaded 10·8" higher than the water level in order to give 112 c.ft. of coal, while the plan Exhibit 82(1/a) will reveal that a mine car having a capacity of 81 c.ft. will have to be loaded 12·4" above the water level to give 112 c.ft. of coal. Thus according to the management the mine car having a capacity of 81 c.ft. should be loaded 12·4" above the water level and the mine car having capacity of 85 c.ft. should be loaded 10·8" above water level to give 112 c.ft. of coal per mine car irrespective of its size and capacity. The management aver that they are liable to pay Rs. 3-13-9 only for 112 c.ft. of machine cut coal. The management has arrived at this figure of Rs. 3-13-9 as follows. It is stated that the basic rate for machine cut coal for a tub having a capacity of 30 c.ft. was Re. 0-4-5 in 1939 i.e. before the Conciliation Board Award and by adding 50 per cent. to it as required by the Conciliation Board Award, the new basic comes to Re. 0-6-7½. By adding 150 per cent. dearness allowance as required by the Conciliation Board Award the rate comes to Rs. 1-0-6¾ per tub of 30 c.ft. capacity. Calculating at this rate the new basic rate for 112 c.ft. comes to Rs. 1-8-9. By adding 150 per cent. as dearness allowance, it comes to Rs. 3-13-10½ per mine car having a capacity of 112 c.ft. The management has however rounded off the figure of pies and is thus paying Rs. 3-13-9 per mine car with a load of 112 c.ft. In paras. 6 and 7 of the written statement filed before Shri L. P. Dave marked Exhibit 19, it was made clear that the capacity of a mine car was fixed as 112½ c.ft. irrespective of the actual measurements of the mine cars and the weight of the contents of a mine car was calculated at 2 tons 9 cwts. after giving allowance for rejection. It was also pointed out that the basic rate for loading a mine car

of the said capacity and weight was fixed and paid at Rs. 1-0-6 prior to Conciliation Board Award. In para. 12 it was further stated as follows:—

“That as has been stated in paragraphs 6 and 7 above, the basic rate for a mine car of 112½ c.ft. was fixed at Rs. 1-0-6 which rate was also being paid in 1939. It may also be mentioned that the basic rate for loading one 30 c.ft. tub for M.C.C. loaders was fixed at Re. 0-4-5 only prior to 1947.”

3. The position was however altered in the second written statement filed by the company before me marked Exhibit 43. In the first place, the capacity of the mine cars was reduced from 112½ to 112 c.ft. In para. 11 of the new written statement it is stated as follows:—

“That the basic rate for a mine car of 112 c.ft. was fixed at Rs. 1-0-6 after the Conciliation Board's Award. It may also be mentioned that the basic rate in 1939 for cutting by pick and filling one 30 c.ft. tub was -/6/- and that for loading one 30 c.ft. tub with Machine cut coal was fixed at As. -/4/- only. That as per recommendation of the Conciliation Board's Award the above basic rates were increased to keep in conformity with the basic rate suggested for a 36 c.ft. tub for hand-cut coal and accordingly the new basic rates for 30 c.ft. tub for hand cut coal and machine cut coal were fixed at Rs. 0-6-8 and Re. 0-4-5 respectively. These rates were taken as the basic wage level for 1939 and the increase in the basic and the dearness allowance as per recommendation of the Conciliation Board's Award was fixed.”

4. Now it is stated that Rs. 1-0-6 was a basic rate for a mine car after the Conciliation Board Award, but in the previous written statement it was stated that Rs. 1-0-6 was the basic rate prior to Conciliation Board Award. Similarly according to the position taken up in the first written statement, the basic rate for loading a tub of 30 c.ft. with machine cut coal was Re. 0-4-5 before the Conciliation Board Award while the position taken up in the new written statement is that the basic rate for 30 c.ft. tub for machine cut coal was Re. 0-4-0 before the Conciliation Board Award, and that it has now been raised from Re. 0-4-0 to Re. 0-4-5. Shri F. S. Watcha however stated that Re. 0-4-5 was paid before Conciliation Board Award. Thus the management has been shifting its position and did not know what to say. No documentary evidence has been produced to show as to what was the rate for loading a mine car with machine cut coal before Conciliation Board Award. I pointedly asked this question from Shri F. S. Watcha, Agent of the Sijua group of collieries of Messrs. Tata Iron & Steel Co. Ltd., and he stated that he could not produce any record to show as to what was the rate paid for machine cut coal in the Jamadoba colliery in the year 1938 or 1939 or for any period upto the Conciliation Board Award which took place in May, 1947. He was also asked to produce any record of the company to show that they were paying Re. 0-4-0 per tub of 30 c.ft. capacity before the Conciliation Board Award but he could not do so. He stated that development of 17 and 18 seams was completed by 1938 and therefore the machines were withdrawn from 17 and 18 seams in 1938. After that de-pillaring started in 17 and 18 seams for which machine is not used. De-pillaring is done by hand by means of pick-axes. He further pointed out that the development of 16 and 16A seams started in 1948 and thus the machines were put into use in 1948. Thus the machines were not in use from 1938 to 1948. He admitted that he did not know the rate of the machine cut coal from 1936 to 1938. So what he stated about the rate prevailing before 1947 is only hearsay. Shri Watcha however explained that the machines used for cutting coal just give an under-cut of five feet in depth. Then holes are drilled with power drill and the coal is blasted by explosives. When the coal is blasted it breaks into small pieces but a few lumps may be found above 24" × 24" × 24". He further stated that the small pieces of coal are carried in baskets while big pieces are carried on heads and put into the mine cars. Shri G. D. Jha the previous manager further explained that the big pieces measuring 24" × 24" × 24" are left there for packing. In fact such big pieces cannot be carried on head. Shri Jha further explained that when the machine is used for cutting coal and the machine makes the under-cut some coal is left underneath the under-cut and that coal is cut by one man out of the gang who is given a pick-axe to do the job. He pointed out that when the cut is made by machine a layer of coal about 3" to 4" in thickness is left under the cut which is taken out by the pick-axe. This is the only occasion when a pick-axe is used because ordinarily in the case of machine cut coal there is only shovelling and loading, while in the case of de-pillaring, coal has to be cut by pick-axe before it is loaded. De-pillaring is certainly more strenuous than the shovelling and loading of machine cut coal.

5. Shri Jha has however admitted that when conciliation proceedings were going on before the Regional Labour Commissioner, he represented the company and made a statement on 26th March, 1954 (para. 2 of Exhibit 81) that the basic rate in 1938 for machine cut coal was "Rs. 1-14-9 for 81 c.ft. mine car for 112 c.ft. of coal", meaning thereby that the mine car of 81 c.ft. capacity was to be loaded like a heaped spoon to give 112 c.ft. of coal and that the rate prior to Conciliation Board Award was Rs. 1-14-9 for 112 c.ft. of coal. On this figure the workmen rely but with this qualification that before the Conciliation Board Rs. 1-14-9 was the rate for machine cut coal for a mine car of 81 c.ft. capacity filled upto the water level and not for 112 c.ft. of coal. On this basis the workmen have claimed Rs. 7-3-3½ for 81 c.ft. of coal. They have worked it as follows:—

Original basic rate	...	...	Rs. 1-14-9
Add 50 per cent.	..	..	Rs. 0-15-4½
New basic	...	...	Rs. 2-14-1½
Adding 150 per cent. as Dearness allowance	...	...	Rs. 2-14-1½
			Rs. 1- 7-¾
			<hr/> Rs. 7- 3-3½

6. Thus the workmen are claiming Rs. 7-3-3½ for loading 81 c.ft. of machine cut coal in a mine car. The Conciliation Board Award does not give any formula or rate for machine cut coal but has laid down the following principle:—

"We feel it impossible for us to prescribe the rates in detail to cover all categories of collieries and all combinations of conditions and we therefore look to the industry to honour this conciliation and adjust its piece rates to comply with the general wage levels we have indicated."

7. The Conciliation Board fixed the rates for hand cut coal and the following conclusions were drawn:—

(1) That the miner, trolleyman, and wagon loader call for preferential treatment, in view of the strenuous nature of their employment, often under trying conditions. For these categories therefore we recommend an increase in their 1939 basic wage of 50 per cent.

(2) For all categories including the above we recommend a further increase in dearness allowance of 50 per cent. making 150 per cent. in all above 1939 basic wages.

Such increase applies to those in the basic wage rate of Rs. 0 to 30 per mensem. In wage rates above this, there will be a revision of the existing scale of percentage dearness allowance.

(3) We have based our calculation of a coal cutter's income on the category who cuts (by pick) and fills one 36 c.ft. capacity tub from a gallery face per shift. The old basic payment for such work is generally, and should be universally, Re. 0-8-0. The new payment we recommend is:—

			Rs. as. ps.
Present basic	..	..	per tub 0— 8—0
50% increase on basic	..	..	0— 4—0
New basic	..	..	0—12—0
150% dearness allowance	..	..	1— 2—0
			<hr/> Total per tub 1—14—0

In addition the present system of cash concession and free rice on attendance, i.e. 3½, 4½ or 6½ annas plus a quarter seer of free rice per day should continue. The average cash value of these two is Re. 0-6-0.

Therefore earnings per day are	..	..	Rs. a. p. 1—14—0
			plus 0— 6—0
			<hr/> Total 2— 4—0

Accepting the generally agreed figure of 47 days worked per week, the weekly income will be Rs. 10-9-0.

The above proposals are based on the cutting and loading of one 36 c.ft. tub, but we are satisfied that given the necessary endeavour on the part of the miner, and provision of the requisite facilities by the management the vast majority of workers can cut and fill 1½ tubs per shift and thus realise weekly earnings of:—

Rs. 15 for 4:7 shifts per week and Rs. 19-2-0 for 6.0 shifts week."

8. The Board came to the conclusion that a coal cutter who cuts by pick could easily fill a tub of 36 c.ft. capacity in a shift and opined that they were satisfied that given the necessary endeavour on the part of the miner and the provision of the requisite facilities by the management, vast majority of workers could cut and fill 1½ tubs per shift. Having come to the above conclusion, they fixed the rate in order to give the miner an income of at least Rs. 1-14-0. Having arrived at the figure of Rs. 1-14-0 and the finding that the old basic rate for payment was Re. 0-8-0 per tub, they raised the wage from Re. 0-8-0 to Rs. 1-14-0 the required minimum wage for a miner, by adding 50 per cent. to the basic rate and 150 per cent. as dearness allowance. The main decision of the Conciliation Board Award is that the miner should earn at least Rs. 1-14-0 a day and the method used to arrive at that figure is only subsidiary. So what the Conciliation Board lays down is that a miner who works on machine cut coal should also be able to earn as much as his brother who cuts the coal by pick. According to the workmen a machine cut coal miner should be paid Rs. 7-3-3½ for loading 81 c.ft. of coal while according to the wages laid by the Conciliation Board Award a coal cutter by pick axe would only be earning Rs. 4-3-6 for cutting and loading 81 c.ft. of coal. There is no earthly reason why the same man when he works on machine cut coal should earn Rs. 7-3-3½ while when he works on hand cut coal should earn Rs. 4-3-6 only. This anomaly cannot be allowed to exist. The Wages have to be fixed in such a way that whether a man works on machine cut coal or hand cut coal, he earns the same wages with the same effort. Therefore the Board concluded with the words "we therefore look to the industry to honour this conciliation and adjust its piece rates to comply with the general wage levels we have indicated." Much stress has been laid by Shri Sen Gupta on behalf of the union that the formula of adding 50 per cent. to the old basic rate and 150 per cent. as dearness allowance as done in the case of hand cut coal must be followed and that the machine cut coal loaders should be paid Rs. 7-3-3½ for 81 c.ft. of coal. By Resolution No. LR.2(103) dated the 12th May 1947, the Government of India, in the Ministry of Labour appointed a Fact Finding Committee to report on the grant of monetary benefits and concessions to collieries workers in the Central Provinces and Berar and in Orissa, on lines similar to those granted to colliery workers in Bengal and Bihar as a result of the recommendations of the Board of Conciliation (Colliery Dispute). The committee did not adhere to the formula used by the Board, but instead allowed 33-1/3 per cent. increase on basic and 100 per cent. dearness allowance. Under the circumstances, I think a machine cut coal loader has got no right to get Rs. 7-3-3½ against Rs. 4-3-6 earned by his brother who cuts the coal by pick. In fact the rates for machine cut coal loaders should be lower because they are seldom required to use the pick and they mainly have to do shovelling and loading which is not so strenuous as cutting the coal by pick axe. In order to fix the proper wage I got a chart [Exhibit 82(5)] prepared by the management regarding the average earnings of the miners on attendance. I have taken the figures into consideration from 1st week of June 1953 to third week of June 1954. The average earnings were as follows:—

Period	Machine cut coal	Hand cut coal
1st week of June 1953.	Rs. 2-9-6	Rs. 2-14-9
3rd week of June 1953.	2-2-0	3-0-0
3rd week of December 1953.	2-2-3	2-8-0
1st week of January 1954.	2-4-0	2-3-9
3rd week of January 1954.	2-3-3	2-2-9
1st week of June 1954.	2-2-9	3-6-6
3rd week of June 1954	2-3-3	3-13-9
	Total : 15-11-0	20-1-6

9. The above is not the average of a few miners but of hundreds of miners for each week and that for a period of one year. So it fairly gives the average of the income now earned by the machine cut coal loaders as compared with coal cutters by pick. The earnings of the machine cut coal loaders are definitely less and they have to be raised by 28 per cent. to give them a wage level at par with the coal cutters by pick.

10. I have already stated that a mine car having a capacity of 85 c.ft. will have to be loaded 10·8" higher than the water level and a mine car having a capacity of 81 c.ft. will have to be loaded 12·4" above the water level to give 112 c.ft. of coal. Miners admit that they never gave more than 6 to 8 inches above the water level. So in other words, they never gave more than 100 c.ft. of coal per mine car. The management though alleged but never maintained the standard of 112 c.ft. per mine car and they have made this allegation just to have more coal for the sum of Rs. 3-13-9 which they paid for one mine car. In order to have 112 c.ft. of coal per mine car, they were bound to impose a cut of 10·7 per cent. as the miners never gave more than 100 c.ft. per mine car. The figures supplied by the company however indicate that from June 1953 to June 1954, 102,953 mine cars were raised against which 5,004 mine cars were cut, which shows that a cut was imposed to the extent of 5 per cent. Had the standard been 112 c.ft. per mine car, the cut would have been 10·7 per cent. As the cut is only 5 per cent., it shows that they kept the standard at about 105 c.ft. of coal per mine car by imposing a cut of 5 per cent. on the standard of 105 they obtained 100 c.ft. per mine car, which the miners alleged to have given. This means that the present earnings of the machine cut local loaders are Rs. 3-13-9 or 3-14-0 per mine car for which standard of loading is kept at 105 c.ft. At the rate of Rs. 3-14-0 per mine car of 105 c.ft., the wages for 81 c.ft. come to Rs. 2-15-9. It has already been pointed out that the average income of machine cut coal loaders as compared with coal cutters by pick has to be raised by 28 per cent., in order to bring them in level with the coal cutters by pick. If 28 per cent. is added to Rs. 2-15-9 it comes to Rs. 3-14-1, roughly say Rs. 3-14-0 for a mine car carrying 81 c.ft. of coal. Thus according to the average earnings of the coal cutters by pick the machine cut coal loaders should be given Rs. 3-14-0 for a mine car having a capacity of 81 c.ft. and loaded upto the water level. Strangely enough the management also arrived at the figure of Rs. 3-13-10½ after adjusting the wages according to the Conciliation Board Award. The only difference is that they want to pay this amount for 112 c.ft. instead of 81 c.ft. There is nothing on record to prove that they have been getting 112 c.ft. per mine car. On the other hand, the records produced by the company show that the company never obtained 112 c.ft. per mine car and that when the cut was maximum from June 1953 to June 1954 (5 per cent.) they kept the standard at 105 c.ft. per mine car. Prior to this they had kept the standard still lower because in the year 1951 the cut was only 0·5 per cent. and in the year 1952 the cut was only 0·6 per cent. while in the year 1953 it was 2 per cent. Thus gradually the management has been demanding more and more coal from the same mine car and during the period for which I have calculated the wages (June 1953 to June 1954) they imposed a cut of 5 per cent. It appears that the figure of Rs. 3-13-10½ was rightly calculated by the management after the Conciliation Board Award for a mine car of 81 c.ft. capacity, but they have however demanded more and more coal from the mine cars of the same capacity by imposing cuts, which they gradually raised from 0·5 per cent. to 5 per cent. The management has not yet reached 10 per cent. to justify their standard of 112 c.ft. It is curious that the same management has been treating the same mine cars as having a capacity of 78 c.ft. instead of 112 c.ft. for the purpose of paying the charges for the load.

11. Under the circumstances, I am of opinion that according to the Conciliation Board Award the rate for machine cut coal comes to Rs. 3-14-0 per mine car of 81 c.ft. capacity loaded upto water level, so that it may carry 81 c.ft. of coal product and not 112 c.ft. I fix this rate with effect from 1st June 1947 as according to the Conciliation Board Award the management ought to have paid at this rate after the Conciliation Board Award. The management has been paying Rs. 3-13-9 for a mine car keeping the standard at about 105 c.ft. So they will have to pay Re. 1-0-0 more, for each mine car raised since 1st June 1947 to clear all the arrears. The management has already filed statements showing the number of mine cars raised from 6th November 1951. Roughly the management will have to pay about Rs. 7,000 per mensem and in case the earlier records are not available, the company will pay at the flat rate of Rs. 7,000 per mensem for the period for which records are not available. Otherwise the company will pay at the rate of Re. 1-0-0 per mine car for all the mine cars raised since 1st June 1947 till the new system of loading the mine cars upto 81 c.ft. is put into force. The arrears have to be paid to the miners who actually worked in those days and therefore the management will issue notices to all the miners after working out the amounts due to them. The notices to workmen who are not now working be issued by registered post asking them to come and take their arrears. Notices be also published in one Hindi, one Bengali and one English paper to be selected by the workmen and that at least for four weeks having two insertions per week. The miners will be given one year to collect their arrears. The arrears which are not claimed for one year from the date of the publication of the notices will form a fund, which

will be placed at the disposal of a co-operative credit society to be formed under the Bihar and Orissa Co-operative Societies Act 1935. This society will advance loans to meet the daily needs of the workmen working in the Jamadoba Colliery. The workmen whose names stand on the books of the Jamadoba colliery at the time of publication of this award will automatically become the members of this society without making any contribution. Even if 10 per cent. of the workmen fail to claim their arrears, it will create a fund of about Rs. 70,000 to Rs. 75,000. This will save them from the clutches of the unscrupulous money-lenders who sometimes charge interest @ one anna per rupee per week i.e. 25 per cent. per mensem. A committee will be formed by the management consisting of one member appointed by the management, one member elected by the workmen of the Jamadoba colliery and the Regional Labour Commissioner, Dhanbad. It will be the function of the committee to see that the arrears are properly worked out and disbursed to proper claimants. The Committee will also look to the formation of a co-operative credit society and transfer of the unclaimed arrears to the fund of the society. If for any reason, the unclaimed arrears do not exceed Rs. 5,000, then the said committee will spend the money for the recreation of the workmen working in Jamadoba colliery. In case of difference of opinion between the members of the committee, the decision of the majority will prevail.

12. Now I take up point No. 1 which runs as follows:—

“Was the management justified in reducing the number of mine cars loaded and despatched, resulting in a cut in the wages of loaders? If not, what relief should be allowed to the workers and from what date?, having regard to the recommendations of the Board of Conciliation appointed in 1947.”

13. The case of the workmen is that the management installed a coal washing plant in October 1952 and since the working of this plant the machine cut coal miners are noticing to their great distress that the mine cars filled by them underground are not paid for properly and their number is reduced without assigning any reason. They further state that the number of mine cars is cut so recklessly, that it has reached to the extent of 20 per cent though previously such a cut was limited to one per cent. It is urged by the workmen that there is no justification for such a cut and they should be paid for all the mine cars cut since the introduction of the coal washing plant in October 1952. The learned counsel for the union urged that cut in mine cars has come to 25 per cent though previously it used to be one per cent. This is however against the facts and figures, which are given below:—

Year	No. of mine cars raised	Mine cars cut	Percentage
1952	81,935	539	0.6%
1953	96,800	1949	2%
1954	46,513	3392	5%
Jan. to June July 1954 to March 1955 (Except August, September, October & November for which figures are not available)	47,789	2468	6%

From the above it will be evident that the cut has been fluctuating from 0.6 per cent to 5 and 6 per cent and it was never 25 per cent as contended by the learned counsel for the workmen.

14. I may also point out that the proportion in the number of mine cars cut did not increase from 1952 when the coal washing plant was installed but is increased from 18th December 1953. In this connection, there is a letter marked Exhibit 34 dated 21st December 1953 from the Superintendent of Collieries to the manager of the Jamadoba colliery in which he pointed out that the position of coal stock as compared with the previous week had further deteriorated as the shortage had been allowed to increase by about 91 tons. He was also required to take steps so that shortage is made good as quickly as possible. It was further remarked as follows:—

“We had instructed you to adopt a new system of reporting raising from your colliery. This system was explained to you in detail and we shall thank you to please let us know whether this system has been put into force and from what date.”

A reply to this letter is marked Exhibit 35 dated 24th December 1953 in which the Manager stated that as instructed by the Superintendent of Collieries he



started the new system with effect from 15th December 1953. Shri Jha who was the then manager was questioned about it and he stated that no new system was adopted but modification was made in the method of reporting to make it more uniform. He stated that instead of using the word 'cut' for underloading they used the word 'adjusted'. This however does not appear to be the true state of affairs, as the percentage of cuts steadily increased from December 1953. I examined Shri F. S. Watcha, Agent of the Tatas collieries as a party on 21st June 1955 (Exhibit 73). He stated that he could not tell as to what is the procedure and basis for cutting down the number of mine cars everyday. When Shri Watcha could not give any information on the subject, I examined Shri Singhal (Exhibit 74) the present Manager of the colliery. He stated that there was no record of underloading prior to his taking charge and that he introduced the present system of checking the underloading since July 1954. I however need not go into these details because my ultimate conclusion is that the total cut imposed is justified though the manner of distribution of the cuts among several workmen was improper. I am of opinion that the cuts were justified because it is the case of the workmen that they loaded the mine cars upto a height of 6" to 8" only above the water level. Shri A. N. Sircar an overman was examined in this respect and he stated that the cutting of the mine cars was not done by the munshis underground but by the Assistant Managers on the following day and that the miners came to know of it only on the date of payment. He states that since his appointment in 1936 the mine cars are loaded 6 to 8 inches above the water level and that even now they are loaded in the same way. Shri K. B. Sinha who is a munshi working underground corroborates Shri Sircar in this respect and says that they have been giving the loads about 8 inches above the top level of the mine cars at the loading line, and that no cut for bad loading was imposed by the munshis underground but it was done by the Assistant Managers in the office. At any rate, according to the evidence produced by the workmen they have been loading mine cars only to the extent of 6 to 8 inches above the water level. The management fixed the capacity of mine cars at 112 c.ft. and according to them they have been paying for the mine cars taking their capacity as 112 c.ft. In order to have a 112 c.ft. of coal, a mine car of 81 c.ft. capacity must be loaded 12.4" above the water level while a mine car of a capacity of 85 c.ft. must be loaded 10.8" above the water level as will be evident from the plans marked Exhibit 82(1|a) & 82(1|b). Against a load of 10.8 to 12.4 inches above the water level they have been giving a load from 6 to 8 inches above the water level. In order to give 112 c.ft. of coal, a mine car must be loaded 10 to 12 inches above the water level as indicated above, failing which there must be shortage of 10 per cent. So keeping the standard of the mine cars at 112 c.ft, the management were justified in cutting the number of mine cars upto 10 per cent. I have however held that they raised the standard upto 105 c.ft only and as the miners were giving only 100 c.ft, per mine car, the cut upto 5 per cent was justified, though as a whole it comes to much less. I have ordered the management to pay Rs. 1-0-0 per mine car as arrears holding that the standard of the management was 105 c.ft per mine car. So according to this award they will be paying full wages at the present rate for each mine car carrying 100 c.ft of coal. Since the miners have not been giving 105 c.ft of coal per mine car but only 100 c.ft per mine car, the cut imposed by the management was justified and the workmen are not entitled to any sum, on account of cutting the number of the mine cars.

15. I have stated that though the cuts in the number of mine cars were justified, the manner in which they were imposed was not proper. I have gone thoroughly into this matter and have found that the management instead of getting the cuts imposed at the working face have been imposing the cuts after working out the shortage in the stock. Shri Watcha was examined as R.W. 2 on 23rd June 1955 when he stated as follows:—

"Thus there are two systems of working shortage but the uniform method in the coalfield is the one which is based on stock measurement, and despatch herefrom. So in case (considering the number of mine cars received) there is shortage in stock, it must be due to underloading. The method of stock measurement is more reliable than the figures worked out from the reports of the munshis."

Shri Watcha had on a previous hearing explained that when the mine cars reach the top they are automatically tilted and the coal goes into the bunker of the coal washing plant where it is crushed and washed. After the coal is washed by the washing plant and the rejection is separated the coal is loaded in wagons. The wagons move on to the whig-bridge, from where, the weight of coal is calculated. From 112 c.ft of coal the management expects 112 c.ft as rejection, so they are left with 100.8 c.ft of despatchable coal for every 112 c.ft of coal coming from underground. The weight of such coal comes to 2 tons 9 cwts. After the running of the washing plant for one year, this average has been

reduced to 2 tons 8 cwts. from 2 tons 9 cwts. He also pointed out that ordinarily 42 c.ft of loose coal make one ton while 32.4 c.ft of rejection make a ton. On the basis of these figures the shortage of coal is worked out from the coal despatched by wagons where it is weighed. This system has been a source of a great trouble and bickering between employer and the employees. The employees maintain that by working of the washing plant, the rejection is much more and that the deficiency is made good by cutting the number of the mine cars. In order to verify this fact I asked the Chief Inspector of Mines in India to depute some officer to report about the working of the washing plant. The report made by Shri S. L. Chakraverty, Inspector of Mines, after getting the plant worked in his presence, has been filed and is marked Exhibit 84. He was examined as a witness. As a result of his inspection, he is of the opinion that the rejection was 11.4 per cent, which is almost the same as stated by the management. The management however put the figure at 11.2 instead of 11.4 but the difference is negligible. In order to avoid further dispute it is necessary that the mine cars should be loaded in future at the water level so that mine cars having a capacity of 81 c.ft carrying 81 c.ft of coal product and the mine cars having a capacity of 85 c.ft carrying 85 c.ft of coal product (not despatchable coal). In the Conciliation Board Award it was opined as follows in para 19:—

“Our view is that the management must insist on securing such a standard of tub loading that when full tubs reach the surface the contents are level with the top of the tub. This is the unit for which payment is made, and variation either up or down can only lead to friction.

The experience however shows that even the above standard is not free from dispute and in my humble opinion the mine cars should be loaded upto the water level at the working face. No part of the mine car should be empty below the water level. In order to achieve this object some portions of coal may protrude above the water level, they may do so but there should be no space vacant below the water level. The mine cars should be checked at the working face before they are pulled up. If there is any shortage, the workmen should be asked to make up the shortage, and if still they do not make up the shortage, the cut should be exercised, and the miners informed. No mine car should be pulled up, without intimating the cut to the miners. The practice of intimating the cuts later on is to be given up.

16. (iii) Should not the existing rate of load for 81 and 85 c.ft mine cars be increased, having regard to the rate recommended by the Conciliation Board (Colliery Disputes) in 1947 for 36 c.ft tubs?

At present the management is paying for the load at the rate prescribed by the Conciliation Board Award for 36 c.ft tub but it has been all along treating the mine cars as having a capacity of 78 c.ft for the purpose of load. The mine cars of 81 c.ft and 85 c.ft were treated as having a capacity of 112 c.ft so far as the obtaining of coal was concerned but the same mine cars have been treated as having a capacity of 78 c.ft for the purposes of paying the load at the rate prescribed by the Conciliation Board Award. It is regrettable that a concern of such a high standing should take recourse to such an unfair labour practice. There is no earthly justification for treating the same mine car, as having a capacity of 112 c.ft for one purpose and 78 c.ft capacity for another purpose. The management is now willing to pay all the arrears at the rate prescribed for 36 c.ft tub by the Conciliation Board Award. So far, the payment has been made at the rate of 78 c.ft per mine car, instead of 112 c.ft per mine car. I have however held that the standard exercised by the management never exceeded 105 c.ft per mine car, so they are liable for load @ 27 c.ft (105—78—27) per mine car raised since 1-6-1947. The management is directed to pay these arrears to the workmen who loaded these mine cars and the procedure of payment will be the same as prescribed in case of the arrears of loading the mine cars. The unclaimed arrears will also be passed to the Cooperative Credit Society as indicated above. The same committee will act regarding the arrears for load as well.

17. There is also a minor dispute about the measuring of the load. According to the workmen, load is counted from the bumpers of the mine cars instead of centre of the mine cars but according to the management the load is counted from the centre of each mine car. There is however not sufficient material on the record to prove that the management has been measuring the load from the bumpers, instead of the centre of the mine cars. Anyhow from the date of enforcement of this award they are directed to calculate the load from the centre of each mine car and not from the bumpers.

18. As regards issue No. 4 regarding rations to be supplied to the dependants of the colliery wokers and issue No. 5 regarding the payment of wages for 7 days for working 6 days a week, to the clerks and workers of the foodstuff section,

please see my award in Reference No. 16 of 1954. For the reasons given therein I hold that rations will be supplied to all workmen and their dependants irrespective of the fact as to whether they live on the colliery premises or not. A 'workman' will include his non-working wife, children and parents if dependent upon him and living with him. A father will only be entitled if he is too old to work and is dependent on his son for his livelihood.

The clerks and workers of the Foodstuff Section, who do not work on Sundays will get wages for Sunday as well instead of 6 days wages per week.

19. There is no other dispute and I pass my award accordingly.

Sd./- P. S. BINDRA,

[No. LR.2(53)/54.]

**S.R.O. 1967.**—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Dhanbad, in the dispute between the employers in relation to the following collieries namely, Jamadoba 6 and 7 pits, Digwadih, Sijua, Bhelatand and Malkera Choitodih, of Tata Iron and Steel Co. Ltd. and their respective workmen.

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL AT DHANBAD

Reference No. 16. of 1954.

PRESENT:

Shri P. S. Bindra, B.A.L.L.B.,—*Chairman.*

PARTIES:

The employers in relation to the collieries (Jamadoba 6 and 7 pits, Digwadih, Sijua, Bhelatand, and Malkera Choitodih) of Tata Iron and Steel Company Limited,

and

Their workmen

APPEARANCES:

*For the employers:*

Shri S. S. Mukherjea, B.Sc. B.L., Pleader,

Shri D. Narsingh, Chief Personnel Officer, Tata Iron and Steel Co. Ltd.

*For the workmen:*

Shri D. L. Sen Gupta, Advocate, Member, Working Committee, Indian National Mine Workers Federation.

Shri S. K. Bose, Vice President, Bihar Colliery Mazdoor Sangh.

Shri B. N. Sharma, General Secretary, Tata Collieries Labour Association.

Shri Shankar Singh, The Tata Collieries Workers' Union.

and

Shri S. Das Gupta, Secretary, Bihar Colliery Mazdoor Sangh.

AWARD

By Government of India, Ministry of Labour, Order No. S.R.O. 3385 dated 2nd November 1954 and by a subsequent Order No. S.R.O. 599 dated 11th March 1955, the dispute between the employers in relation to the collieries of Tata Iron and Steel Co. Ltd. specified in Schedule L thereof and their workmen in respect of the following matters has been referred to this Tribunal:

1. Should rations be supplied to all dependants of colliery workers whether living in the colliery premises or outside.
2. Whether the clerks and workers of Foodstuff Section who do not now work on Sundays should get wages for seven days for six days' work."

SCHEDULE I

1. Jamadoba 6 and 7 pits
2. Digwadih.
3. Sijua.
4. Bhelatand.
5. Malkera Choitodih

2. Usual notices were issued to the parties. The written statements were filed by the parties during the time of my predecessor Shri L. P. Dave, but as the reference was made to me afresh, I again gave them an opportunity to file fresh written statements but none of the parties filed a fresh written statement. With the consent of the parties, the evidence was recorded in Reference No. 13 of 1954 as the present two disputes were also included in Reference No. 13 of 1954.

3. The case of the union is that the rations are not supplied to all dependants of colliery workers and that those workmen who did not live on the colliery premises are also deprived of the rations. The counsel for the management drew my attention to the Bihar Colliery Labour Foodgrains Rationing Order, 1952 dated 2nd August 1952 published in the Bihar Gazette Extraordinary dated 11th August 1952.

4. It is argued that on the basis of the above notification, that they could supply rations to those dependants who live at the colliery premises or in a place recognised for the purpose by the Government and that they could not supply rations to workmen or their dependants who do not live on the colliery premises. It was further argued that under the said notification, dependants only included the wife and children of the workmen. The Bihar Colliery Labour Foodgrains Rationing Order 1952 was issued under Section 3 of the Essential Supplies (Temporary Powers) Act 1946. The Essential Supplies (Temporary Powers) Act 1946 has expired on 26th day of January 1955 and now an Ordinance is in force which is known as The Essential Commodities Ordinance 1955. This Ordinance does not cover the foodgrains. So there is no prohibition about the foodgrains, and it cannot prevent the present management from supplying rations to the workmen who do not live on the colliery premises. Hence I am of opinion, that the management should supply rations to the workmen and their dependants irrespective of the fact as to whether they live at the colliery premises or not.

5. So far as the question of 'dependents' is concerned, according to the workmen, the parents, brothers, sisters, and nephews residing with a worker and depending upon him should also be supplied with rations. Shri R. N. Sharma was examined on behalf of the management who stated that he was working in this firm since 1949 and since that time the number of dependants is limited to five including the worker, and that this practice is still going on. He further stated that 'dependents' include the children of the workmen who were not working, his wife not working, and widowed mother if not working. I do not think that there is any justification for including sisters, nephews and brothers of a workman but like widowed mother, an aged father who is unable to work and dependant upon the workman for his livelihood should also be included. So for the purposes of supplying rations a workman will include his wife, children, mother and father, if they are not working, and dependent upon him. A father will only be entitled to rations in case he is too old to work and is dependent upon his son for his livelihood. It is obligatory that the dependents must live with the workmen before they claim rations and they must really be dependent upon the workman.

The question of cash concessions cannot be gone into because it is not covered by the reference.

#### Issue No. 2

"Whether the clerks and workers of Foodstuff Section who do not now work on Sundays should get wages for seven days for six days' work."

The case of the workmen is that the Foodstuff section of the colliery was started round about 1942 and since that time, the members of the foodstuff section were retained on Sundays and paid for 7 days a week. It is further stated that since 7th March 1954 the conditions of service of the workmen employed in foodstuff section have been changed by cutting one day's wages in every week. Now the workmen are employed for six days a week and paid for six days. They do not work for Sundays and they are not paid for Sundays. The workmen claim seven days wages for a week.

It is stated on behalf of the company, that in the rice department of the different collieries of the company there are cash memo counters and issue counters and normally each cash memo counter is manned by one cash memo clerk and the issue counter, by one issue clerk and two rice mazdoors. It is further stated that the duties of the cash memo clerks are to issue cash memos to workers on receipt of the price of the rations. The duties of the issue clerks and the rice mazdoors are to issue rations to the workmen against the cash memos

It is also stated that the rations were issued from Monday to Thursday and

the rest of the week days and were devoted to checking and verification of the rash memos with the issue sheets. It is also explained that the cash memo clerks were working from 7 a.m. to 12 noon on Sundays and they were paid a full day's wage which is meant for 8 hours. It is further contended on behalf of the company that under the orders of the Inspector of Mines they had to follow and observe the provisions of Mines Act 1952, and so they were required to grant one day's rest in a week. Thus actual issue of rations was confined to Monday, Tuesday, Wednesday and Thursday and the checking and verification to Friday and Saturday and Sunday was treated as a rest day. Thus the case of the company is that the workmen work for 6 days and they are paid for 6 days. The management examined Shri R. N. Sharma who is the Manager of the Digwadhi colliery since November 1952. He has stated that when the rice department used to work on Sundays they were being paid overtime and now as no work is done on Sundays they are paid for 6 days in a week. He further stated that the rice clerks are neither working nor asked to work beyond their working hours. In cross-examination he admitted that the system of issue of rations before stopping work on Sundays was the same as it is now. He also admitted that the staff remains the same and there was no increase in the staff. He further admitted that so far as the number of workmen is concerned, it is almost the same before and after the stopping of the work on Sundays. He further admitted that after stopping the work on Sundays, ration godown workers protested saying that they have to put in more work. He further stated that now an amendment of the Mines Rules had been made and the ration staff is no longer governed by the Mines Act, but after the amendment they have not reverted to the old system of taking work on Sundays. From the above evidence of the company's own manager, it will be evident that the work load is the same and the same staff has to cope with it within six days instead of 7 days. Hence there is clearly an increase in the work load and thus the members of the staff of the rationing departments are entitled to 7 days wages for working 6 days a week. They will have Sunday as rest day.

I pass my award accordingly.

P. S. BINDRA, Chairman,  
Central Government's Industrial Tribunal,  
Dhanbad.

The 8th August, 1955.

[No. LR.2(53)/54-1.]

#### ORDERS

New Delhi, the 6th September 1955

**S.R.O. 1968.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to Messrs. Travancore Mineral Concern No. 1, Chavara, and their workmen regarding the matters specified in the Schedule hereto annexed;

And whereas the Central Government considers it desirable to refer the dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7 and clause (c) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947, (XIV of 1947), the Central Government hereby constitutes an Industrial Tribunal of which Shri K. N. Kunjukrishna Pillai, Industrial Tribunal, Trivandrum, shall be the sole Member and refers the said dispute for adjudication to the said Tribunal.

#### SCHEDULE

- (1) Is the Travancore Mineral Workers' Union justified in demanding that the 128 workers recruited for work in June 1955 should be discharged? Is the General Manager of the Travancore Mineral Concern No. 1 bound to discharge them as demanded by the said union.
- (2) Is the decision to recruit workers through the Employment Exchange wrong? Is the union within its rights in objecting to this procedure?
- (3) Are there past workers of the concern entitled to preference when workers are to be recruited? If so, is a list of such workers available? If not, is it possible to prepare the list of such workers according to length of service with reasonable accuracy?

[No. LR.2(58)/55.]

**S.R.O. 1969.**—Whereas by an Order of the Government of India in the Ministry of Labour No. LR.2(58)/55, dated the 6th September, 1955, an industrial dispute between Messrs. Travancore Mineral Concern No. 1, Chavara, and their workmen has been referred to an Industrial Tribunal for adjudication;

Now, therefore, in exercise of the powers conferred by sub-section (3) of section 10 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby prohibits the continuance of the strike in existence in Messrs. Travancore Mineral Concern No. 1, Chavara.

[No. LR.2(58)/55.]

P. S. EASWARAN, Under Secy.

### MINISTRY OF INFORMATION AND BROADCASTING

*New Delhi, the 1st September 1955*

**S.R.O. 1970.**—In exercise of the powers conferred by sub-section (2) of section 5 of the Cinematograph Act, 1952 (XXXVII of 1952), the Central Government hereby directs that the film entitled "Law Vs. Billy the Kid", and its trailer produced by Columbia Pictures Corporation, U.S.A. shall be deemed to be uncertified films in the whole of India.

[No. 8/17/55-FC.]

**S.R.O. 1971.**—In exercise of the powers conferred by sub-rule (2) of rule 3 of the Cinematograph (Censorship) Rules, 1951 read with section 3 of the Cinematograph Act, 1952 (XXXVII of 1952), the Central Government hereby appoints Prof. N. K. Sidhanta, Vice-Chancellor of the Calcutta University, as a member of the Central Board of Film Censors with immediate effect *vice* Srimati Sucheta Kripalani resigned.

[No. 11/2/55-FC.]

### ORDER

*New Delhi-2, the 7th September 1955*

**S.R.O. 1972.**—In pursuance of clause 2 of the directions issued under the provisions of each of the enactments specified in the First Schedule to the Order of the Government of India in the Ministry of Information and Broadcasting No. S.R.O. 945, dated the 28th April, 1955 the Central Government with the previous approval of the Film Advisory Board, Bombay hereby certifies the films specified in column 2 of the schedule hereto annexed, in all their language versions, to be of the description specified against each in the corresponding entry of column 5 of the said schedule.

### SCHEDULE

Serial No.	Title of the film	Name of the producer	Source of supply	Whether a scientific film or a film intended for educational purposes or a film dealing with news and current events or a documentary film
1	2	3	4	5
1	Indian News Review No. 360.	Govt. of India, Films Division, Bombay.	Govt. of India, Films Division, Bombay.	Film dealing with news and current events.
2	Right Men for the job	New Theatres Ltd., for Government of India Films Division, Bombay.	do.	Documentary film

[No. 1/16/55-F. App/48.]

D. KRISHNA AYYAR, Under Secy.